

Challenges in implementing the transformation policy in the KwaZulu-Natal gaming and betting industry

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ABSTRACT

Following the demise of apartheid in 1994, the implementation of economic transformation policies to address inequalities through wealth redistribution and economic participation of previously marginalized Black South Africans has been slow. The gaming and betting sector of KwaZulu-Natal formalised policies to ensure transformation that were not implemented. This study aimed to provide insight into challenges in the implementation of the KZNGBB transformation policy, and the impact of political and power dynamics on transformation. The study found that the KwaZulu-Natal Gaming and Betting transformation policy failed, mainly due to poor stakeholder consultation and participation, monopolies, and restricted access for Black owners in the industry. Recommendations are focused on the need to strengthen policy or legislative frameworks to ensure strict implementation of B-BBEE in KwaZulu-Natal, to put the empowerment fund into place, and to amend legislation to ensure that punitive measures are imposed on departments and entities who fail to implement policies.

DECLARATION

I, **Nokwazi Ngidi**, declare that this research is my own work. All sources used have been quoted and acknowledged by means of complete references. It is submitted in fulfilment of the requirements for the degree of Master of Management – Public Policy in the School of Governance, University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in this or any other university.

Signature

Date

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Deep appreciation is conveyed to my family; my parents, daughter, and partner, for constantly pushing me to proceed with my studies even during the times when I felt demotivated enough to give up. The constant reminder that I could do it if I just pushed further is appreciated and will not be forgotten.

Last, but not least, I would like to thank God, the creator of heaven and earth, for filling me with the spirit and light to constantly press on against all odds. Phillipians 3:14 – *“I press on towards the goal unto the prize of high calling by God in Jesus Christ...”*

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LIST OF ACRONYMS

ANC	African National Congress
BEE	Black Economic Empowerment
B-BBEE	Broad-based Black Economic Empowerment
DTI	Department of Trade and Industry
KZN	KwaZulu-Natal
KZNGB	KwaZulu Natal Gaming and Betting
KZNGBB	KZN Gaming and Betting Board
KZNGBA	KwaZulu Natal Gaming and Betting Act
KZNGBI	KwaZulu Natal Gaming and Betting Industry
PDIs	Previously Disadvantaged Individuals
PFMA	Public Finance Management Act

CHAPTER 1 – INTRODUCTION AND BACKGROUND

1.1 INTRODUCTION

The KwaZulu Natal Gaming and Betting Board developed a transformation policy for the gaming and betting industry in KZN. This policy was intended to implement changes in the ownership structure so as to address the inequalities within the industry and contribute to economic transformation within the KZN province. Following the transition into democracy in 1994, the South African government embarked on a comprehensive programme to provide a legislative framework for the transformation of South African industries. Through the introduction of legislation such as, the Broad-Based Black Economic Empowerment (B-BBEE Act 53 of 2003), the ultimate objective was to ensure economic transformation and enhance the economic participation of Black South Africans within the economy.

In 1994, South Africa broke free from the bondages of apartheid and ushered into an unprecedented democratic dispensation. Apartheid was a mechanism used to dominion of the country's resources by excluding and marginalising the majority, which constituted of Black South Africans (Banda, Herzenberg & Paremoer, 2003: 6). Transformational policies were introduced as part of the new political dispensation, with the aim of redressing historical injustices and to restore equity and fair distribution of the country's resources. These transformational policies included Black Economic Empowerment (BEE), Employment Equity (EE) and various industry specific policies which sought to address South Africa's socioeconomic status, specifically for those who were previously disadvantaged (Grobler & Van Wyk, 1990).

Due to South Africa's poor economic growth status, a negative impact on the implementation of transformation policies was experienced. The post-apartheid government inherited a financially constrained fiscal from its predecessor, due to a legacy shaped by 50 years of apartheid which ultimately crippled the fiscal. Furthermore, fiscal governance systems were highly fragmented which resulted in great inefficiencies (Ajam & Aron, 2007:12). Democracy brought about the need to replace the old regime policies with new equitable systems across private and public sectors; emphasis was placed on initiating change in ownership and development in all economic sectors.

This research aims to investigate the challenges experienced in implementing the transformation policy in the KwaZulu Natal gaming and betting industry. The policy was a response of the KwaZulu Natal Gaming and Betting Board in accelerating the inclusion of previously disadvantaged individuals from the gaming and betting industry due to the preferential legacy left by the apartheid era. The call to transform the gaming and betting industry is not only embedded in the KwaZulu Natal Gaming and Betting Act (8 of 2010), and the Broad Based Black Economic Empowerment Act (53 of 2003) but it is also provisioned in the South African Constitution (RSA Constitution Act 108 of 1996).

The gaming and betting sector is one of the sectors with a mandate to transform the ownership patterns, however, remains untransformed to date in South Africa. The National Gaming conference in 2002 looked at the beneficiaries of the economic empowerment agenda, stating elaborately that empowerment failed within the gaming and betting industry and that participation in the mainstream of this industry remain limited and sparse (Department of Trade and Industry Gambling Policy 2016:5). The challenge regarding lack of skills, technology and high capital investments led to key role players in the industry being from the the global arena, with unsatisfactory participation of local candidates in the the industry. Although Black people represent 91 per cent of South Africa's population (Statistics South Africa 2012:16) the economy is still largely a white monopoly. Studies have shown slow adoption and resistance to the BBBEE policy by the minority industry owners (Banda, Herzenberg & Paremoer, 2003), including the gaming and betting industry.

National Treasury (2016:11) states that transformation reflects the challenges, changes and the strategies of the South African population to gain entry into industries, where the ownership and the skills were located in the hands of a few South Africans. The attempts of the private and public sector to address these inequalities as well as the skewed workforce balance has been directed by the economic empowerment agenda. This is the direction that the KwaZulu Natal Gaming and Betting Board intended to take with the introduction of the KZN gaming and betting industry transformation policy. Although a policy is in place to aid the legislative framework and to enhance access to the gambling industry, there have been challenges regarding proper implementation of policies to action transformation. As such, the transformation agenda has been hampered due to contestation arising from political differences.

1.2 PROBLEM STATEMENT

The KwaZulu-Natal Provincial Government in South Africa has identified the lack of transformation in the gaming and betting industry as a governance and public policy problem to be prioritised. This is supported by the provision in the KwaZulu-Natal Gaming and Betting Act (8 of 2010) which emphasises the necessity of such transformation, “*The creation of the KZN Gaming and Betting Board in order to promote opportunities for historically disadvantaged persons to participate in the gaming and betting industries; and to increase the ownership stakes of historically disadvantaged persons in the gaming and betting industry*” (KZN Gaming and Betting Act of 2010:21). Reinforcing this problem, the Department of Trade and Industry Gambling Policy (2016:5) states that ownership and management of the gaming and betting industry continue to be concentrated among members of one racial group. It is from this source that the KZN Gaming and Betting Board (KZNGBB) drew its mandate to ensure a transformed gaming and betting industry in KwaZulu-Natal, as per the organisation’s vision and Strategic Objective 6, asserting the need “*to transform the industry with specific focus on the horse racing and betting sector*” (KZN Gaming and Betting Strategic Planning Document, 2017:26).

According to the KZNGBB Annual Report (2016:12), the KZN gaming and betting industry has achieved Level 2 compliance with the Broad-based Black Economic Empowerment (B-BBEE) Act 53 of 2003. It is critical for the board to outline the industry’s achievements in terms of the B-BBEE legislative framework, as the industry was previously dominated by groups who subjugated and excluded previously disadvantaged groups. Furthermore, compliance with B-BBEE extends to all industries with an aim to ensure that previously disadvantaged groups gain access to participation in the mainstreamed economies. In this regard, the South African B-BBEE Act (53 of 2003) stipulates that all industries must adhere and commit to the provisions of the Act, as this will address the injustices of the past and erode the vacuum that has resulted from inequality.

Although a policy is in place there have been challenges regarding proper implementation of the transformation policy. The transformation agenda has been fettered due to contestation arising from political divergence. According to Fin24, “There is widespread speculation that some of the individuals within the KZNGBB and the KZN Legislature have interests that lie within the implementation of the policy” (Khoza, *Fin24*, 2015:1). A further

impediment to the success of the transformation policy framework is that the affected stakeholders themselves, being the licensees and owners of gambling establishments, have reflected some resistance to the implementation of the policy. The resistance arose because the transformation policy may hinder potential licensees from obtaining or renewing their gaming and betting licences if they are found to not be in compliance with the B-BBEE Act; the KwaZulu Natal Gaming and Betting Act and Regulations, as well as the Transformation Policy. In this regard, it appears that those who are already in the system are happy with the status quo and gatekeeping, so long as they continue to profit and exclude other societal groups.

The background that has been outlined above, illuminates the motivation for conducting this study which investigated the challenges associated with implementing the KZNGBB industry transformation policy. It provided insight into the challenges that may have unfolded during the policy consultation process when the KZNGBB initiated its transformation policy. Furthermore, it unlocked in-depth understanding of the dynamics around politics and power in government, and the impact these dynamics have on the Transformation Policy. Overall, it is anticipated that the study will contribute to a better theoretical understanding of transformation processes in the public sector, and to the effective implementation of the public policy.

1.3 CONTEXT OF STUDY

The research will focus on the KwaZulu Natal Gaming and Betting Board, an entity that exists to regulate the gaming and betting industry in the province of KwaZulu Natal. The KwaZulu-Natal Gaming and Betting Board was created in terms of Section 5 of the KwaZulu-Natal Gaming and Betting Act (2010).

The centrality of the gaming and betting industry to the KZN provincial economy is illustrated by the multi-billion rands in revenue generated annually by the industry. The KZNGBB Annual Report (2016:8) for the year 2015/16 recorded, for example, a growth of R569 874 million in gaming and betting tax revenue for the provincial fiscus. The gaming and betting industry has therefore been identified by the KwaZulu-Natal Economic Development as an industry that can contribute positively towards socio-economic development in KwaZulu-Natal (KZN). The MEC of KwaZulu-Natal Economic Development (*Natal Witness*, 2015:3)

also stressed the need for the economic empowerment of previously disadvantaged individuals, as well as the promotion of economic growth, development, and ownership in the various gambling sectors in KwaZulu-Natal.

The composition of the gambling industry in KZN, as stipulated in the KZNGBB Act (2010:8), states “that the gambling industry includes casinos, bingos, horseracing, limited pay-out machines, and totalizers”. These forms of gambling are historically located in affluent locations (such as cities), and are therefore largely unavailable to previously disadvantaged groups who are mostly located in the townships due to spatial segregation (KwaZulu Natal Gaming and Betting Working Document, 2013:1). From a social responsibility point of view, this is an advantage since fewer problems arise in terms of irresponsible gambling and addictions. However, the legacy of spatial segregation poses a challenge for previously disadvantaged groups to gain entry into shareholding in the gambling industry and to participate meaningfully in the industry as a sector in the mainstreamed economy. The barriers of entry into the industry are characterised by exorbitant industry entry costs, thus adding to difficulties for previously disadvantaged individuals (PDIs) to gain entry into the gambling industry at large (KwaZulu Natal Gaming and Betting Working Document, 2013:3). In an effort to address the issues of transformation in the industry, the KZNGBB has facilitated the formulation of an industry transformation policy that seeks to address areas that were excluded from the Act, including the creation of the Horseracing and Betting Transformation Fund to promote and fund the objectives outlined in the gambling legislative framework.

The transformation policy in the gaming and betting industry aims to bring about economic empowerment for the historically disadvantaged individuals as envisioned in the BBBEE Act (53 of 2003). A historically disadvantaged individual (HDI) is defined by the BBBEE Act as a South African citizen who, due to the apartheid policy that had been in place, had no franchise in national elections, prior to the introduction of the Constitution of the Republic of South Africa, (Act 200 of 1993).

Whilst the BBBEE aims to accelerate the inclusion of previously disadvantaged individuals into the economy through company ownership, and ultimately contributing to community development, the KZN Gaming and Betting Act also advocates for the implementation of

such within the gaming and betting industry. Therefore, the non-implementation of the transformation policy in the KZN gaming and betting industry is closely linked with failure to implement and comply with the BBBEE Act.

1.4 PURPOSE OF STUDY

The purpose of the study is to investigate the challenges associated with implementing the KZNGBB industry transformation policy. It provided more insight into the challenges that may have unfolded during the policy consultation process when the KZNGBB initiated its transformation policy. Furthermore, it assisted with in-depth understanding of political and power dynamics in a political environment, and the impact these dynamics have on the transformation policy. Overall, it is anticipated that the study will shed light theoretically on how the political environment of an important public policy issue affects the success or failures of the policy, including its implementation, and to accelerate the effective implementation of public policy. At the applied level, the findings from this investigation will assist in making proposals on how the process of fast-tracking the implementation of the KZNGBB industry transformation policy can be achieved.

1.5 THEORETICAL FRAMEWORK

Theory serves as an orientation for gathering facts since it specifies the types of facts to be systematically observed, because the elements or variables of a theory are logically interrelated and, if relevant theory exists, hypotheses or research questions can be deduced based upon the particular relationship between these elements (Creswell, 2009:204).

One of the key goals of this study is to test the existing theoretical framework on transformation and assess the political and power dynamics that may have an impact on the implementation of transformation policy. The theoretical framework that has been identified for this study is political transformation theory, based on its elements that explore the role of individual, societal, and organisational actors in the policy implementation process. Kollmorgen (2010: 2) states that political transformation theory focuses on the active role of the actors in order to facilitate radical changes in society. Kollmorgen (2010:3) further stipulates that the core focus of the theoretical-methodological perspective should be:

- (a) An action, actor and agency that is open to changing relations;

- (b) Actor-institution relations and processes of institutional steering, accentuating the mechanisms of institution and policy transfer;
- (c) All spheres of the society, including problems; and
- (d) Linked with the latter, the discussion of power relations in their material.

The main focus of this study is the political environment and how it has affected the implementation of transformation policy. Political environment refers to the state, government and its institutions, legislation, the public, and stakeholders who operate and interact with or influence this system. It entails political dynamics and government activities that can either facilitate or hinder the ability to implement policies for desired outcomes (Rhodes, 1997:18). The ability to implement policies in a political environment is often paralysed by the power dynamics. Power is associated with the ability of person/s to make or carry out policy, as well as controlling those persons who influence policymaking and implementation in a political environment. It raises important questions about accountability and interdependence in the policy process (Rhodes 1997:9).

Kollmorgen (2010: 3) discusses the dependency in policy environments between politics combined with power, focusing on how politics combined with power can influence decisions and resources in order to achieve certain policy goals and maximise influence over outcome (Kollmorgen, 2010: 3). It is relatively common to find that in a political environment, power and politics combined often produce 'abusive' behaviours whereby positions and influence are utilised to effect policy change or hinder the implementation of policy goals in some instances. This theory of power and politics as core elements of the political environment in which the policy issue is situated is therefore relevant to this research study. In this context, the preliminary assessment indicates that the implementation of the transformation policy in KZNGBB has been politically contested. Therefore, the implementation of the policy goals that have been approved and legitimised, are reliant on the power and politics. Thus far, power and politics have hindered the implementation of the policy.

In summary, transformation is inseparable from institutional changes and political environments, which is a direct result of political participation, as institutions are the critical kernel of politics. In order to advance democratic equal opportunities, it is necessary to extend and deepen the weight of social empowerment within economic structures in

capitalist societies. Real social empowerment is a threat to the interests of powerful actors who benefit the most from capitalist structures and who can use their powers to oppose such movements. The position of this research therefore focuses on the need to contribute to an emancipatory social transformation.

1.6 RESEARCH QUESTIONS

The following is the primary research question:

1.6.1 Primary research question:

How do the politics and power dynamics impact on policy formulation and implementation of transformation policy in the KZNGBB industry?

1.6.2 Secondary research questions:

- How does the KZNGB facilitate and enhance compliance with the transformation policy and legal framework?
- In what respects have their quests to get compliance with the transformation been thwarted, by whom, in what ways, and how consistently had this happened?
- In instances where obstruction of implementation has occurred, what have been the stated and/or the observed reasons for this behaviour by stakeholders in the KZNGB industry?
- To what extent have considerations of politics and power impacted, or have they been seen to impact, on stakeholder implementation of the transformation policy?
- Does KZNGB have the necessary institutional and financial capacity to monitor and evaluate the implementation of the transformation policy in the gambling industry?
- What strategies may be applied in future to ensure that all stakeholders participate meaningfully in the transformation agenda?

1.7 CHAPTER OUTLINE

Chapter 1 – Introduction and background

This chapter will give a background to the problem that has been identified. It will outline the terms that are related to the study, the research questions and why the study will constitute an important contribution to the body of knowledge on the subject of transforming the gaming and betting sector in KwaZulu Natal.

Chapter 2– Literature review

This chapter will outline the academic content that is already available with reference to the topic at hand. The paper will also give a synopsis of the literature that has been consulted in order to frame the theoretical orientation of the study.

Chapter 3 – Research methodology

This chapter outlines, step-by-step, the procedure of data gathering. It outlines the data collection methodology and tools that were used to collect data, the duration of the study, how the study participants were identified, the specification of the documents that were analysed, and the protocols that were followed in conducting research of select aspects of transformation in the gambling industry.

Chapter 4 – Presentation of findings

In this chapter the findings of the study will be presented and interpreted to provide clarity.

Chapter 5 – Data analysis

The chapter will evaluate the data collected to illustrate similarities, differences, or patterns. This information will be organised according to themes and categories will be created to draw out meanings and theories.

Chapter 6 – Conclusion and recommendations

The fifth chapter will provide a summary of the study, the conclusion of the research report and recommendations in line with the research findings.

1.8 CHAPTER CONCLUSION

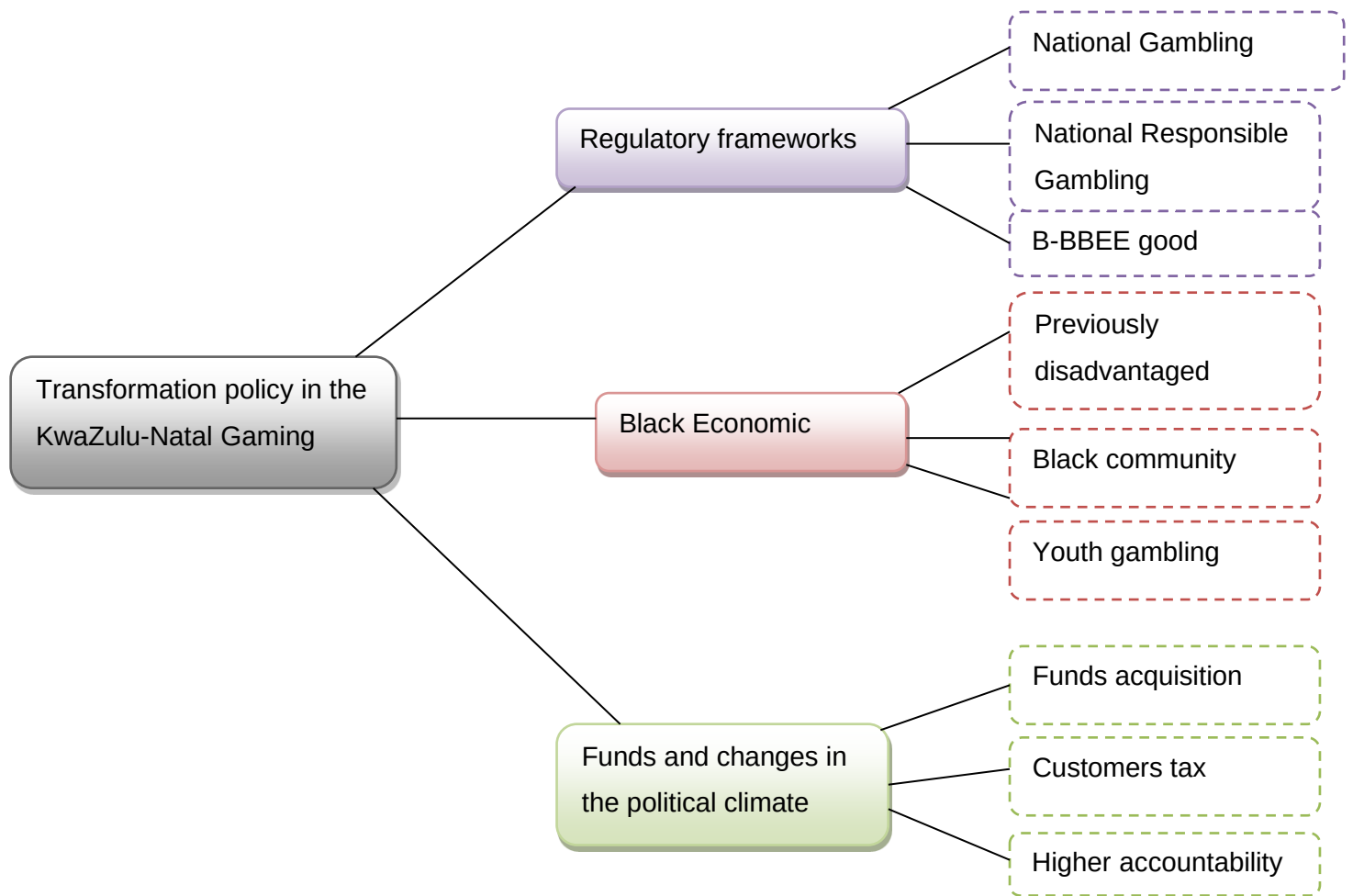
Supplementary effort is necessary to increase equity in ownership to ensure transformation is realised, particularly in the former so-called “homelands”, and to increase the number of small and medium enterprises. The key challenge is to ensure accelerating towards higher levels of economic growth and towards a more inclusive economy. The KZN Gaming and Betting Board currently faces a number of challenges in so far as both the power and political dynamics are concerned. This study seeks to outline the key problem areas with regard to the region’s political climate and the traditional corporate establishment’s general resistance to transformation in the implementation of the KZN Gaming and Betting Board’s Transformation Policy. Since the premise of the study is that the scales in the power balance are tipped in favour of the gambling and betting sector’s corporate establishment, this also includes legal power dynamics. This study seeks to investigate the many counter-productive loopholes (legal and otherwise) that the researcher believes plague the KZN Gaming and Betting Board’s core policy implementation framework. From the findings, the researcher did a detailed analysis of how the sector has managed to remain untransformed after many years of operating in terms of the transformation policy having been made into law.

CHAPTER 2 - LITERATURE REVIEW

2.1 INTRODUCTION

Gambling has become normalized behaviour in KZN, with a very small section of society raising any kind of moral concerns related to gambling. There have been various comprehensive changes in the social climate due to the development of the gambling industry in KZN. The impact on society has been due to the development of the Gambling and Betting Board, with different negative and positive implications. The impact has been dynamic over the period, as new gambling modalities have developed, based on the internet and different mobile technology platforms. The need has been for promoting opportunities for people in the province who are previously disadvantaged to take part in the gaming or the betting industry in the province. The main concern for transformation policy has been to increase ownership. The focus has been on better control and management with the involvement of improved operations. The province will benefit from better skill development and transfer of information and skills, thereby helping in enhancing social and economic prosperity. Transformational policy development is necessary, as there is a high rate of revenue generation with a positive contribution to the overall economic growth of the province.

Figure 2.1: Conceptual framework



2.2 THEORETICAL FRAMEWORK

Different objectives need to be fulfilled to develop a perception of the theoretical framework. The transformation of policy and impact of the existing political environment and social implications on the entire policy development for the benefit of the society must be taken into account. There is a need for an appropriate regulatory framework to be developed to direct the management aspects that have helped in the development of a theoretical framework. There are different factors related to the social and political dynamics helping ineffective policy implementation processes.

- The theory of political transformation explores the roles played by individuals who take action for the better development of the society.
- Planning, based on the insights of different stakeholders involved in the development of the corrective actions for active transformation, is necessary.
- Institutional and social relations need to be developed.

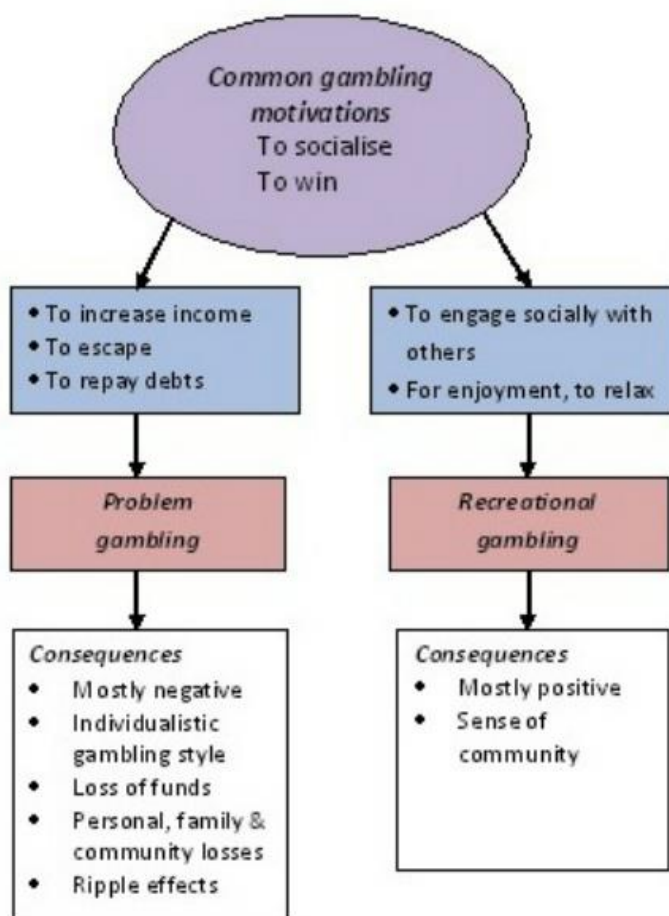
Linkages of different aspects of society with political dynamics are relevant in society. Different factors have played a role, taking into account politics and power dynamics, within the political scenario that is charged with bringing changes in the transformation policy. There have been different insights related to the policy development focus on transformation in the betting industry concerning the Act. The focus of this study is on political changes coupled with different government activities aimed at bringing about the transformation that has been accepted by different stakeholders associated with the organization.

Economic empowerment has been adopted by the boards' by aligning with the needs of KZN board's focused empowerment policy. Compliance is to be followed in the different acts that support the development of regulation and further transformation, such as the Basic Conditions of Employment Act. Compliance is required for legal implications. Proper policy implementation is possible, with the empowerment of the entire sector, if there is stakeholder support for effective transformation.

2.3 THEORIES AND THEMES ON GAMBLING ACTIVITIES

There are two key themes related to gambling activities in countries: gambling for socialization and gambling for recreation. The important motivations for common gambling in South Africa, and in other nations, such as Britain and Australia, are the need for increasing income, repayment of debts, social engagement, and relaxation. The impact of gambling is usually perceived to be negative for the gamblers as it leads to loss of funds and loss of responsibilities to family. Gambling has also been associated with effects that function in a cyclical manner, such as addiction to gambling. Recreational gambling has been perceived to be the key reason for gambling addiction in the gambling and betting industry. It is found that gambling usually begins as a recreational activity that leads to a rippling effect on the individual and community and state.

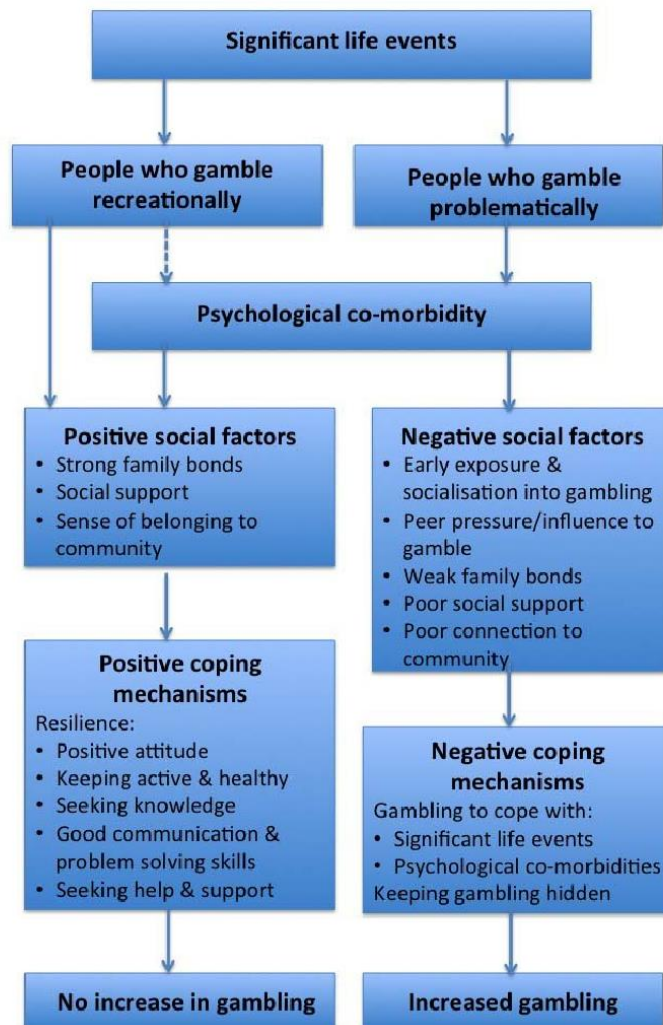
Figure 2.2: Thematic framework of gambling



(Source: Hahmann and Matheson, 2017)

For understanding the various factors associated with gambling, a grounded theory model can be used to describe the impact of important life events and psychological co-morbidities on people's vulnerability to gambling addiction.

Figure 1.3: Grounded theory model



(Source: Han, 2014)

As noted in this theory model, people who engage in gambling as a recreation are influenced by social factors such as social support and fostering of community development behaviour. Contrarily, problematic gambling has been associated with overexposure to gambling, and peer pressure to participate in betting and gambling. Poor support from family and the community also affects how people engage in gambling. Positive mechanisms for coping with gambling and to avoid its associated risks; include a positive attitude, seeking help, and seeking knowledge on failure in betting. Negative mechanisms for coping with gambling are

defined by psychological morbidity and life events such as financial crisis. While recreational gambling does not affect the individual and community, problematic gambling or addiction to gambling can have an adverse impact.

2.3.1 The political environment of the betting and gambling industry in KwaZulu-Natal province in South Africa

The government in South Africa appointed the Wiehahn Commission to conduct a study into the possibility of a policy framework in the gambling and betting industry. The Commission provided recommendations for the regulation of all forms of gambling. It is important to note that betting and gambling had not been legalized by 1994. The political climate for the industry at this time was limiting and not conducive to progress. Thus, gambling was placed under the strict scrutiny of the government (Department of Trade and Industry Gambling Policy, 2016; 4). It has been noted that the political environment had initially been supportive of the gambling and betting activities in the country. Consequently, as per the recommendations of the Wiehahn Commission report (1995:129), the National Gambling Act (1996), and the National Lotteries Act (1997) were passed, which led to the establishment of the National Gambling Board and National Lotteries Board respectively.

Studies by Morgan (2017: 11), reveal that there has been a gradual shift in the global political climate towards the betting and gambling industry developments. With the increased level of online gambling activities in Australia, Australian Communications and Media Authority (ACMA) has emerged for regulating online gambling.

In Britain, policy formulations have been regulated by Gambling Commission. As noted by Calado and Griffiths (2016: 10), the key objectives of the Gambling Commission has been the protection of the society from the ill effect of arcades, bingo, casino, and betting activities. British laws were also formulated by the Gambling Commission to ensure that gamblers are protected by strict supervision and control of the gambling industry to regulate the economy.

As stated in the Australia's Gambling Industries report (1999: 20), efforts had also been undertaken by ACT Gambling and Racing Commission to ensure that there is continued administration of the policies and legislations. The government in Australia passed the Interactive Gambling Act to establish a regulatory body responsible for establishing policies

and maintaining uniformity in the policies. The aim is to stimulate harmony in the policy formulations across each province in terms of the norms and standards that have been implemented in the gaming and betting industry.

Abel, Cole, and Zia (2015: 9) has noted that it is with this intention that national strategies were formulated by the national and provincial government in South Africa, so that input in the industry could be improved. The National Gambling Policy Council was implemented for the regulation of the industry and for ensuring that strict regulations are implemented. Furthermore, it Abel, Cole, and Zia (2015; 9) stated that with the increased contribution of the betting and gambling industry to the economic growth in the country, and specifically to the KwaZulu-Natal province, changes have been noted in the political climate, with increased support for the industry. The increased focus towards addressing the disparity in the industry against the Black community has also been found to be a contributing factor for the political shift.

In the last decade, the gambling and betting industry has contributed to the economic growth and the Compound Annual Growth Rate (CAGR) increment, adding to the overall socio-economic development. Consequently, political support has been enhanced in the industry, replacing the scrutiny. For further economic growth to be reported in this industry, it is necessary to include previously disadvantaged individuals (PDIs). The government is providing support to bring about a greater level of inclusion for the betterment of the betting and gambling industry.

2.3.2 The scenario in the gaming and betting industry in the KwaZulu-Natal province in South Africa and other regions globally

It has been noted in the industry reports (Department of Trade and Industry Gambling Policy, 2016: 9) on KwaZulu-Natal's betting industry that the transformation in this industry lacks prioritization from the industry. It has been noted in these reports that there has been a focus on the need for transformation and welcoming higher levels of inclusion of other races into the industry. The KwaZulu-Natal Gaming and Betting Act (8 of 2010) has stated the need for transformation and promoting opportunities for people who have been historically disadvantaged in the province and who take part in the gaming or betting industry. The key

concern and reason for the transformation policy is to enhance the ownership of previously disadvantaged people in the betting industry.

It has been noted in the statistics by the Department of Trade and Industry (as cited in Department of Trade and Industry Gambling Policy, 2016: 5) that there is an emerging problem of concentration of ownership in the industry to a specific racial group. As pointed out in the reports of the KwaZulu-Natal Gaming and Betting Board (2016: 17), this issue needs to be addressed through the transformation policies and mandates to be raised and implemented by the KZN Gaming and Betting Board (KZNGBB).

The KZNGBB, as per Objective 6 of the organisation's vision in the KZN Gaming and Betting Strategic Planning Document (2017), needs to focus upon the betting sector and horse racing industry in the province. Disadvantaged groups in the province are located in the town area and do not have much access to the casinos and horse racing events. It has been noted in the current scenario that the casinos, Limited Payout Machines, totalizers are located in the city location, contributing to the gradual geographical segregation in the ownership ratio.

In Australia and Britain a further area of operation in the betting industry is online bingo, which contributes to the high revenue generation in the gambling industry. This is regulated by Corporate Bookmakers at the Federal level.

The gambling industry in Australia has been characterised by expansions and has been justified by public discourses. Francis, Livingstone, and Rintoul (2017: 67) state that justifications for the expansions have included community benefit claims, capital investment, and increased employment. In Australia, gambling approval has been granted based on increasing employment and capital works in some sectors. The Electronic Gambling Machine (EGM) license process in the gambling industry in Australia works according to an amenable and transparent control measure. This regulator had granted about 154 applications for licensing gambling activities by 2014 with an intention to contribute positively to the upliftment of the community and to ensure job creation. The increased level of EGM licensing has demonstrated the quantifiable benefits of gambling over the potential harm, by responsible decision making in the gambling sector. Furthermore, the need for social

responsibility has been noted for regulating the arbitrary impact of gambling. Redshaw and Nicoll (2010: 210) evaluated the intersection between driving and gambling as part of the everyday mobility practices in the European Nations. Gambling has been associated with the concept of freedom in the democratic societies that emerged in the post-industrial phase. It has been noted that gamblers have promoted the need for gambling as an expression of freedom.

Since people have taken gambling as the liberation of rights and empowerment, it has led to increased gambling activities. As opined by Redshaw and Nicoll (2010; 415), there are insufficient strategies that can be implemented for enabling the necessary transfer of skills to empower PDIs in the gaming industry, thus leading to their limited empowerment.

Furthermore, considering the high level of investment in the industry, PDIs are in a disadvantageous position. The present scenario thus suggests there is a barrier in the entry of the PDIs that needs to be addressed by transformational policies and mandates implementation in the betting and gaming industry. As noted by Khondker and Schuerkens (2014: 11), the scenario also suggests that the KwaZulu-Natal Gaming and Betting Act have not been able to address such issues and disparities. Hence, the need for new mandates and funds, have been advocated in recent studies. In this respect, the government in the KwaZulu-Natal province has stated the need for a Horseracing and Betting Transformation Fund to address the need for a set framework for the control and management of gambling and betting related activities (Khondker & Schuerkens, 2014: 13).

2.3.3 Importance of the betting industry and gaming industry

The need for implementing a transformational policy in the province has been noted in research studies, which indicate that the gaming and betting industry industry contribute multi-billions of rands to the province's revenue generation, as seen in the KZN Gaming and Betting's Annual Report (2016.23). It had been noted in the KZNGBB Annual Report for the term 2015-2016, that the province generated R569 874 million in tax revenue in the province's fiscal earnings in the period. Hence, the need for transformation has been felt as the betting industry or the gaming industry has been identified as an important component of the KwaZulu-Natal Treasury. Furthermore, the industry has been instrumental in contributing to the earnings and socio-economic capacity. Considering the position of the

gaming or betting industry in the socio-economic development, coupled with the need for economic empowerment of the people in the province, transformational policies and mandates for the improvisation in the ownership structure in the gambling industry have been found necessary.

Studies by Leung and Gray (2016:7) have revealed that if the industry could be improved and the empowerment of historically disadvantaged individuals is possible, then revenue generation could be enhanced for overall development scope. As can be seen by the statistics on Bookies.co.za (2019), the industry shows a significant contribution to the revenue in South Africa. It can be added that the betting and gambling industry's positive contribution to revenue generation in the industry, and the GCR generated in the industry towards the GDP of South Africa has made the industry an important contributor to the economy.

The statistics on Bookies.co.za (2019) reveal that between 2017 and 2018, the betting and gambling industry has grown, and an increase has been noted in the operational position of the casinos by 8.4%. Furthermore, between 2017 and 2018, the active presence and use of Limited Payout Machines (LPMs) has also witnessed increments, such as from 11,502 LPMs to 11, 836 LPMs. In countries such as Australia and Britain, progress had been noted in the incremental demand for bingo machines in the gambling and betting industry. In the case of the operations of the bingo machines position, the growth is 11.8%%. Hence, there is a need for more careful actions to be taken for online betting.

Conversely, a report by Williams (2010: 13), noted the adverse impact of the horseracing and bookmaking industry in the United States and in European nations. Williams (2010: 105-110) noted the gambling addictions and the crime that it supports in some areas, such as the United States. As per the US and EU perspectives, gambling cannot be seen as a component of the liberalized market. In the United States, there has been a tightening of laws related to gambling to curb the excess involvement of the poorer population wagering their money on gambling. In contrast, it could be stated that in South Africa horseracing and sports-related betting, saw the third quarter of 2017 witnessing the highest growth in revenue generation. The CAGR generation guides the highest growth for the country, hence the importance of the industry for the country's revenue generation. Euchner et al. (2013: 376)

state that gambling and drug consumption are part of the morality policies in the Netherlands and Germany. From a morality perspective, gambling is perceived as sinful and therefore requiring strict regulations. Gambling has been associated with addictive behaviour, consequently the strict policies regulating gambling are based on the idea of non-morality. An aggregated policy on gambling habits is supported by legislative procedures to limit gambling as a perceived wrongful practice in the Netherlands and Germany. Euchner et al. (2013; 380) have noted the need for regulatory bodies and community support to assist the transformation of the betting industry and the gaming sector in these countries. Overall, it must be noted that the progress in the installation of LPMs and Bingo machines has been instrumental in the growth of the gaming and betting industry in Australia, Canada, and the United States. Such growth shows the importance of the industry due to its contribution to the generation of economic revenue in the country.

2.3.4 The legislative framework for the management of the betting and gaming industry

Morgan (2017: 13) has noted that in terms of the historical context of reports in the industry, B-BBEE has been implemented for the industry to gain Level 2 compliance. The aim of the B-BBEE framework is to ensure that disadvantaged groups have more opportunities and access to enable them to take greater initiative in the mainstream economy. The intention has also been to minimize the inequalities in the betting and gaming industry and the domination of the industry by one race only. Stein (2015: 12) points out that the government in South Africa has been engaged in transformation processes since 1994, after the emergence of the democratic dispensation in the country. This has been reflected in the constitutional mandate of the country, which states the need for equality (RSA Constitution, 1996) (African National Congress, 2017: 13-19). The implementation of the B-BBEE Act is in keeping with these transformation processes.

According to the Department of Trade and Industry (2003: 11), the National Gambling Board was established in the country to address the need for a regulatory framework to revamp the strategies of the Department of Trade and Industry that regulate gambling in South Africa. The regulatory framework in most countries, such as Australia and the United States, have been set to address the need for transformation, and is aimed at the intensification of gambling-related activities so that monitoring coherence can be attained in the gambling

industry. The need for transformation, as has been noted in the industry, is related to the need for policy coordination and the focus on the economic empowerment of people who have been historically disadvantaged. Hancock and Hao (2016: 141) have pointed towards the need for a regulator and for responsible gambling as stressed by the transnational casino corporations. Such an approach is particularly evident in the Asia-Pacific gambling sector. Gambling falls under the public policy that is subject to regulation and licensing by the national and sub-national governments. These regulations are aimed at controlling problems related to gambling. With the partial exception of gambling policies in Singapore, the regulatory models for gambling are aimed at limiting the liberal aspect of gambling in the Asia-Pacific region's true best practices and jurisdictions.

Forbes and Rust (2019: 10) have also stated that the intention is to promote economic growth in South Africa by developing the gaming industry and give more opportunities to the disadvantaged sector of the population. The B-BBEE Act, Labour Relations Act, and Basic Conditions of Employment Act have been considered important acts to implement in the gaming industry. In this respect, it must be added that the government needs to undertake proposals for economic empowerment and to minimize the discrimination in the population in the KZN province in South Africa. The self-regulation of the horseracing and gambling industry has further created issues for policy regulations in the industry; hence transformation needs to address more government interventions in this industry.

Surujlal and Akinwale (2017: 15) pointed out that many countries, such as the U.S., Finland, and other EU countries have been working for the empowerment of the gaming industry, which has been placed in a disadvantageous position. The Social Equity Committee in the Western Cape is one such regulatory body in South Africa. Selin (2016: 121) pointed out that Finland has always focused on responsible gambling, self-regulation in the gambling industry, and controlling the addiction of gambling. After the amendment of the Lotteries Act in Finland, there have been increased state regulations imposed on gambling operators, with a focus on approvals and government documents for supervising the gambling product and activities. Selin (2016; 126) found through discourse analysis that gambling operators in Finland operate under strict regulations with the emphasis on self-regulation so that the potential of addiction in gambling can be regulated. This is different from the ban regulated gambling market that is operative in South Africa.

2.3.5 Challenges or barriers in the transformation efforts in the gaming industry in South Africa

Surujlal and Akinwale (2017: 21) noted that transformation can be considered to be a challenge in the gaming industry as the situation has arisen from social equity issues whereby access to the industry has been limited to a certain section of the population. According to the KwaZulu-Natal Gaming and Betting Board (2010: 14) the reasons for this include a lack of skills and the dearth of high capital investment from the people who are in a disadvantageous position. The KwaZulu Natal Gaming and Betting Board has also recognized this challenge in the industry as it has considered the need for the establishment of the KwaZulu Natal Gaming and Betting Transformation. As noted by the KwaZulu-Natal Gaming and Betting Board (2010; 17), the lack of support and assistance to disadvantaged people who have been aspiring to emerge as entrepreneurs in the gaming and betting industry has placed them at a disadvantageous position. This is due to the lack of skills required for success in the betting industry and the issues faced by them, such as the inability to invest in the gaming and betting industry, which is a prerequisite in the industry.

It has been noted that in countries such as Australia and Britain the government has not been involved in creating imperatives for the control of gambling and sports betting. In Australia and Britain the challenge is to maintain an environment that is conducive to supporting the institutional realm and political support for the enhancement of transformation. However, in South Africa, the government has not been involved in creating imperatives for the empowerment of people who have been placed in a disadvantageous position. This has essentially limited the participation of disadvantaged people in this industry, and hence they are facing issues in participating in the industry (Khondker & Schuerkens, 2014: 11).

Gainsbury and Wood (2011: 311) have noted the progress in internet gambling and the struggles faced by governments to implement effective regulations to control gambling, such as in EU nations. Inconsistency in the inter-jurisdictional process for the implementation of regulatory frameworks for controlling gambling had been noted. According to Gainsbury and Wood (2011: 315), there is ineffective legalization and a legal limbo that leads to ambiguity in the regulation for controlling gambling. This is particularly relevant to the rise of internet gambling in Canada and Australia. This has also limited the participation and involvement

of people who have been placed in a disadvantageous position. Naicker (2018: 7) has further noted that institutional reforms in the sector have been limited to the development of casinos and betting grounds, but there are no regulations for monitoring the participation of the people in the industry. It has further been noted from the assessment of the landscape for the gaming and gambling industry that the policy deliverables in this industry are not supportive of the institutional reforms that have been required for enabling social equity in the industry. Lindsay (2015: 7) noted that the B-BBEE Act (53 of 2003) had stated various provisions for the economic empowerment of historically disadvantaged people, but the pace of implementation was slow, which has been related to the political environment in South Africa. Hence, the policy deliverables and the lack of support from the government has been the key reason for the lack of implementation of the laws and regulations that have been implemented under various acts and regulations.

2.3.6 Regulatory frameworks in countries addressing the need for transformation policies

Various regulatory frameworks have been formulated specifically for addressing the needs and issues faced in the gambling and gaming industry across different countries in the world. In South Africa, the Constitution forms the basis for transformation. The Constitution of South Africa governs the freedom and conduct of the people in the country by guaranteeing equal access opportunities and the freedom to pursue any trade or profession of choice, and the right to equal opportunity. Lindsay (2015: 11) added that various regulatory frameworks have been functioning in the political arena in South Africa for the control, policy guidelines, and the direction that facilitates policy formulation for transformation in the industry. It has been noted that the KZNGBB province in South Africa, to make the transformation successful, needs to comply with regulations that have been set by such a framework.

It must be noted that the following framework for the transformation policy in South Africa has been part of the legislative framework of the country and that the gaming and betting industry transformation guidelines have been mentioned in the frameworks and regulation pieces below:

2.3.6.1 The constitutional framework:

As noted by Hancock and Hao (2016: 147), the Constitution is the supreme body of regulations that determines the working principle of the people and the institutions in the country, and every industry or individual in the country is required to adhere to the constitutional framework. Gambling regulations in the Asia-Pacific nations are also regulated by constitutional provisions, such as is the case in South Africa and other independent nations of the world. In any case, in cases of non-compliance with the regulations, provisions mentioned in the Constitution can be considered the supreme body of regulations. Relevant to this study, are rights mentioned in the Constitution, such as the right to equal opportunity, and provisions regarding opportunities for full and equal employment rights. As per reports of the ANC (2017: 11), the right of freedom to choose any trade or occupation in a free manner has been included in the Constitutional rights of the people (RSA Constitution No. 108). Hence, according to the provisions of the Constitution, the need for the empowerment of the people in the KZN province requires guaranteeing and protecting by the Government of South Africa.

2.3.6.2 National Gambling Act:

As per the provisions of the Act (7 of 2004), it has direct control over the working procedure in the gaming and gambling industry. The Act has formulated policies for the control and management of the coordination of activities in the industry at provincial and national levels in matters related to the gambling and gaming industry in South Africa (National Gambling Board. 2004: 11). Here it must be noted that this Act has also formulated uniform standards and norms concerning the licensing and ownership in the gaming industry.

2.3.6.3 Broad-Based Black Economic Empowerment Act:

This Act has primarily been formulated for addressing the restructuring of the economy in such a manner that transformation in the industry could make equal opportunities possible in the industry. This Act has been formulated to address the disparity that has been present in the economy concerning the lack of access to previously disadvantaged individuals in the industry. The Act addresses the limitation of their participation in economic activities in the society. Furthermore, as noted in other sectors, in KwaZulu-Natal province there is greater control by White people over the gambling and gaming industry. Nienaber (2016: 6) noted that the BBBEE Act has been considered to be the most important framework for addressing

the rights of Black entrepreneurs in the province and for lending support to them to take greater initiative in the economic activities in the industry.

2.3.6.4 KZN Gaming and Betting Act:

This Act has been formulated for the establishment of the restrictions, regulations, tax structure and tax payments and licensing system in the betting and gaming industry. The Act has also determined in details, the provisions of taxes, as well as the penalties in the industry and resultantly the KZN Gaming and Betting Board, had been established under the provisions of the Act as regulatory board of control followed by the establishment of the Horse Racing and Betting Transformation Fund KwaZulu-Natal Gaming and Betting Board (2016: 11).

It must be noted that the regulatory frameworks discussed above have addressed the need for better regulations and control of the industry. The guidelines have been stated in detail; however, the measures that can be undertaken for maintaining compliance with the regulations have not been specified. Hence, the challenge to address and comply with such regulations is due to a lack of guidelines and a lack of support by the government to enhance compliance with such regulations. As noted by Koop and Lodge (2016: 12), the lack of presence of any regulatory framework hurts compliance related challenges in the gaming and betting industry in the country.

2.3.7 Concerns to be addressed to ensure compliance for transformation in the gaming and betting industry

Various concerns have been noted in regulatory frameworks in Australia, Britain, and the Netherlands for addressing issues in the gaming and gambling industry, and in the lack of compliance with the frameworks. These concerns can be considered to be the gaps in the implementation of the frameworks that lead to the emergence of new trends such as internet gambling that has been registered in the gaming and betting industry (Devaney, 2009: 275). The transformation policies need to be implemented in the gaming and betting industry need to address the concerns of internet gambling, as noted in the research study on the regulatory environment in the global gambling industry.

It had been noted by Van der Westhuizen (2017: 17) that the horseracing industry in South Africa was legalized before the formulation of the National Gambling Act in South Africa, and hence the industry has not been covered under the Act. In countries such as Australia, the horseracing industry has contributed positively to the revenue generation in the country, and hence is an important contributor to the socio-economic development in the country's economy. In South Africa, the lack of coverage of the horseracing industry by the National Gambling Act has created issues for the regulation of the industry for socio-economic benefit. Studies by the National Gambling Board (2015: 11) have revealed that this gap can be addressed by the development of a regulatory framework, but the challenge lies in the absence of a regulatory body or framework so that the Horseracing Industry can be placed under the direct control of the Provincial Gambling Authority in South Africa. Hence, there is a need to address the transformation chances in the horseracing industry by integrating the industry in the gaming and betting industry in South Africa. Furthermore, in the European Union, there is an imbalance concerning the ownership structure of the horseracing industry that has limited access to the marginalized groups in society (Laffey et al., 2016: 1437). The challenge faced thus concerns the imbalance that is present in the horseracing industry, or the gambling and betting industry. This is due to the lack of access to the marginalized Black community in South Africa. Challenges are also noted in the funding of the B-BBEE transactions that are a major issue in the industry.

It has been noted by Du Plessis (2017: 12) that a designated Priority Population Group has been implemented by the B-BBEE in South Africa so that Black Africans can be incorporated in the larger economic and corporate structure. As per the provisions of the Priority Population Group, Black Africans need to be given priority so that the socio-economic imbalance can be addressed. The challenge in this regard in the horseracing industry is the domination of the industry by sole proprietorships owned by White businesses in terms of the provisions of the Priority Population Group the needs of including Black Africans in the horse racing industry needs to be addresses. As stated by McAllister (2014: 153), a major issue is that licenses by potential owners or sole proprietors require funding. However, the economic and political scenario is such that the annual turnover in the betting business is dependent on the betting odds. Moreover, any assets are absent for the security of the revenues, raising concerns for the funding of loans.

Devaney (2009: 279) stated that the regulations for controlling gambling, and its disadvantages for the population in the European Union are the high gambling advertisements and ineffective consensus regarding the jurisdiction of online gambling. Limiting Internet gambling to any border and the lack of agreement on gambling tax in the EU are other concerns to be addressed in terms of controlling gambling activities. Atkinson, Nichols, and Oleson (2000: 625) have expressed the need for regulations for gambling in countries such as U.S., Australia, and Britain, considering that casinos do not share fiduciary responsibilities and do not carry the social responsibilities for public safety. They have also noted the deregulation of the gambling industry for the increased effect of gambling and the increased competition in gambling. Atkinson, Nichols, and Oleson (2000: 631) have also noted that the concerns regarding gambling were related to social transformation and the shift towards gambling. Moreover, there are no legal obligations faced by casinos for public safety in Britain considering that it has been a neoliberal economy.

2.3.8 Key changes in the social climate for gambling in the region

According to Han (2014: 10), gambling and betting procedures developing in any regions lack integrity and tend to have a negative impact on the wellbeing of the nation. Problems have been aggravated in the region with the emergence of underage gambling that is shaped by culture, class, and the geographic location. Serious monitoring and controlling are required for a better understanding of how betting has changed the social scenario of the region. Psychological disruption is faced in the case of gambling in different parts of the region. Negative implications, as witnessed in South Wales and Victoria include high-rank gambling where there is the development of exaggerated self-confidence with the emergence of problem gambling that has gained a higher level of social meaning (McMillen & Wright, 2008: 280).

Several other issues are resulting in different impacts on transformation policy implications. As pointed out by Segal and Maroun (2014: 367), gamblers are viewed as recreational gamblers or problem gamblers. The latter represent a significant number, and have contributed to the national growth of the nation. There has been a recorded growth with the generation of R569 874 million in gaming and betting tax revenue, thereby leading to the minimising of different negative aspects of betting and gambling. As identified by Han (2014: 17), there has been socio-economic development in the KwaZulu-Natal Treasury, which will

result in the development of previously disadvantaged individuals in social and economic spheres, with better ownership status in different gambling sectors. Different research sources have found that gambling in different countries besides South Africa has enriched and contributed to improvements in social relationships (2013: 54). Complex entertainment developments have transformed into family-based activities with closer associations between people of different classes and structures, where pleasure and financial gain have been prioritized equally in the region. Class and cultural components have focused on the involvement of previously disadvantageous individuals. As opined by Miers (2015: 425), the Gambling Commission in Great Britain regulates the gambling activities as per the regulations in the Gambling Act (2005). Based on the assessment of the risks to operators, the licensing objectives have been followed strictly. Based on the neo-liberal model of regulation, the tension between regulators in the industry and the state is evident. The regulations are also influenced by the need to protect poor people and children from the impact of gambling. Responsible gambling in Britain is taken into account with a focus on monitoring the costs required for effective facilitation. There have been complicated issues related to the spatial distinction that pose a series of negative implications. The effective implementation process requires the adoption of specific structural actions that are beyond the capability of the gaming industry, due to specific changes that have brought changes in the social implications. The concerns regarding the online gambling practices in the European Union had also been described as patriotic games (Laffey & Della, 2015: 11).

As noted by Laffey et al. (2016: 1427), UK has been considered as the modern role model for a liberal economy and independent economic governance. Under such an economic structure, there has been the legalization of gambling activities in the UK when it was part of the European Union. This also allowed overseas operators from countries such as Italy to invest in gambling activities. More recently, regulations on national borders have restricted international operators in the gambling industry due to economic patriotism. It is for the same reason that international policies regarding internet gambling had been restricted to implementation in the European Union.

2.3.9 Impact of politics and power dynamics on policy development and implementation

There have been developments in policy that fulfil the requirements of the legislative framework, thereby facilitating better access to different resources in the gambling industry in countries globally. The KZNGBB in South Africa has facilitated the development of a transformation policy that helps to address the aspects that are not included in the Act. The focus has been on the development of Horseracing and Betting transformation that will help in the promotion and financing of different goals within the gambling legislative framework (Calado & Griffiths, 2016: 600). However, problems have arisen in the transformation policy. There have been contestations due to different perceptions of different political groups exercising control over the region. There have been speculations related to the development of gambling in different countries that will facilitate development, but the implications of power and politics have harmed effective transformation.

The literature review has been developed to understand different challenges and the exclusion of certain aspects of policies. Government policies are developed through structured actions, taking into account comprehensive procedures, with a focus on a theoretical approach to the main aspects of the research study (Louw, 2017: 111). Reflecting upon the changes in the social climate in Australia regarding gambling, McAllister (2014: 148) notes that policies for controlling gambling have been shaped by public opinion. The increased prevalence of gambling activities in Australia had raised concerns regarding gambling as a public activity and the need to restrict gambling. Such concerns led to restrictive gambling policies in Australia.

2.3.10 Facilitation of compliance with transformation policy and legal framework

Transformation in the gambling industry in different countries has been explored by taking into account different sources that validated the view that gambling results in opportunities for development. Such exploration included access to a different set of resources, taking social and cultural components into account, so that the impact was examined across different levels of society. Monnye (2016: 11) points out that policy development is conducted to bring structural changes with positive development, thereby facilitating the building of strong relationships within the community. Policy transformation helps in the

optimized use of resources, with a focus on streamlining different networks related to the main objective for better national growth.

McMillen and Wright (2008: 279) note that the Australian State and Territory government has been responsible for the formulation of regulation on gambling. Based on a national inquiry on determining activities in Australia, the need for reforms for public wellness had been initiated in New South Wales (NSW) and Victoria. However, the ideal model for regulation has not been developed or implemented for strict regulation of gambling due to ineffective institutional support. Transformation leads to institutional changes, which results in different implications in the political social and economic spheres of a nation. In case of a lack of effective transformation policy, development and implication procedures result in the mismanagement of resources, thereby leading to hindrances and ineffective social and economic development with a poor contribution towards the overall growth.

Gambling has been legalized in South Africa since 1994, even though there was a lack of effective regulation by the National Gambling Act. There has been stable growth in the industry but aggravated challenges have hindered the socio-economic growth of KZN. The need for equality with the focus on imperative transformation started from that period itself. According to constitutional regimens, different sources, as specified above, show that results have been initiated. Legislation has been put in place, taking into account the development of the African continent by institutionalizing various acts for more effective transformation. As stated by Ahaibwe, et al. (2016: 21), the parliament in KZN, through the application of the portfolio committee of Trade and Industry has adopted steps to comprehensively monitor the gambling industry. Various challenges concerning gambling have surfaced, including a lack of effective regulation in the horseracing sector.

There is a need for the development of an appropriate regulatory framework that would have direct control over gambling authorities in countries such as United States where regulations have been reduced to statutes. There is no specific implementation required that focuses on management issues related to labour disputes and transformation in the policies of the betting industry concerning ownership. The political scenario has an impact on trade in the industry, leading to intervention. The influence of political power has resulted in different

implications in the region. The focus of change has always been on transformation in policies in the gaming industry.

2.3.11 Impact on effective compliance development and the effect on regulation

Compliance is an important issue that requires exploration before the manifestation of different policies can be determined. There are issues related to continued compliance with the B-BBEE codes. Research from different sources has revealed that B-BBEE has not manifested in all the functioning gambling sectors in South Africa. The exception has been in the bookmaking sector, where compliance has been focused. This has helped to shape the Black Economic Empowerment that has been adopted, by aligning with the needs of the KZN board's focused empowerment policy (Abbott, et al., 2018:2018). Recommendations were made that the licenses should be Level 2 B-BBEE compliant by the end of 2015. Compliance was to be followed in terms of the Labour Relations Act (1995). Other acts that require compliance for the development of regulation and further transformation include the Basic Conditions of Employment Act (1997). Compliance is required for better legal implications. Development on the African Continent includes the development of previously disadvantaged individuals with a focus on their well-being and enhancement for an improved social impact and positive contribution to the economy. Policy documents are necessary, as these help to shape the regulatory framework, and prioritizes compliances to different rules to control the entire policy transformation. The political climate plays an important role in developing rules and making changes (Hiam, Eshghi, and Eshghi, 2017:1375). However, a lack of capacity to manage the resources and make changes according to situations that arise will lead to the lack of development of effective policies, thereby aggravating the challenges. For example, Gainsbury, et al. (2015: 140) point out that the Board fails to review the compliance rules that are an important part of compliance conditions. There have been hindrances to compliance due to a lack of effective planning and different challenges that affected the political environment, including issues like domination of ownership by White business and sole proprietorship. One-track concentration with the power of a few players over the entire market has led to a lack of optimization of resources. Other factors that have thwarted compliance include aspects like a lack of funding for interested parties to buy shares for licenses.

2.3.12 Impact of political considerations on stakeholder implementation of transformation policy

It is important to consider how the political environment in South Africa has affected transformation. Development is conducted to bring structural changes with positive development, thereby helping to build strong relationships within the community's functioning. The politics and power position of global leaders functioning in South Africa have affected policy implementation, thereby affecting the well-being of the associated stakeholders. Policies are developed aligned with the current legislative framework, thereby helping in the development of the industry. The transformation of policies requires a holistic acceptance by all stakeholders associated with the relevant policy. Political considerations are necessary for effective policy development and transformational changes; otherwise, it has negative implications for the associated stakeholders.

The role of government takes into account political considerations on stakeholder implementation. Hopf (2014: 23) reveals that precedence is taking place through the implementation of different proposals to levy rules on gambling. The government, along with other political bodies and gambling communities play an important role in the development of strategies, and the acceptance of strategies for the benefit of stakeholders. The KwaZulu-Natal Gaming and Betting Board have been developed with a focus on the promotion of social and economic development by assisting to support previously disadvantaged individuals. The political consideration of the government working as the regulatory body helps in proposing new legislation, taking into account the development of new taxes, or giving priority to other races. The political environment entails the power dynamics and results in developing a unique approach for developing a unique position, but the challenges faced in the transformation policy include the acceptance of each race with equal distributions of resources for the optimal level of benefit for each sector operating in the betting industry in South Africa. Krüger (2014:86) maintains that proper policy implementation is possible, with the empowerment of the entire sector, if there is stakeholder support for effective transformation.

In the case of gambling in the KwaZulu-Natal Gaming and Betting board, there should be the adoption of a unique approach to address the issues of historically disadvantaged individuals. The government is involved with regulation in association with the National

Gambling Board (NGB) and the National Lotteries Board. There has been criticism regarding extra tax legislation in the sector. The Gambling Review Commission resulted in the development of the regulatory framework. Regulation and development have affected stakeholder implementation with a focus on the development of a more holistic industry. Carlevaro et al. (2017; 256) reflected on the unique feature of the Swiss regulation on gambling, as it also includes the health concerns of gambling, while stating the obligations of operators in the gambling industry. Operators are obliged to offer social measures to prevent gambling addiction and prevention centres have been set up for addressing issues that result from gambling. Transformation is required in policy prescription in a different domain, effective functioning of government is required with adapting to different changes that help in bringing systematic changes concerning the needs of society and the community, thereby helping to give rise to different social and economic implications. Article 37 of the Federal Gambling Act implemented by the Swiss government states the social obligations of the casinos to collaborate with the prevention centres and addiction treatment for people addicted to gambling.

2.3.13 Institutional and financial capacity to monitor policy transformation

The KwaZulu Natal Gaming and Betting Board were developed with the focus on the development of the gambling and betting industry, as the industry has contributed to the financial development of the economy. Botha (2014: 12) stated that policy transformation is required for the mitigation of imbalances in the horseracing industry and to provide lucrative opportunities to the marginalized sector by involving them in the sector so that they are equipped to utilise opportunities. The clear need for high-level empowerment for previously disadvantaged individuals in the sector is required, thereby contributing positively to the development of the sector with better growth prospects in the sector. As stated by Krüger (2014:86), empowerment through management, control, and better operational involvement will lead to the association of the historically disadvantaged sector, thereby helping to facilitate Black Empowerment. Different benefits can be gained from transformation policy implementation, including the creation of business opportunities for disadvantageously positioned individuals in the KwaZulu-Natal province. The focus is on growth opportunities with equal participation and involvement, thereby facilitating better wealth distribution.

The objective of involving a transformation policy includes sector based skill development with the adoption of unique expertise that will help in the development of the business. The KZNGBB has the capacity of working as a representative of the State and even as a public entity for Black Empowerment, taking into account the increase in ownership stakes of disadvantaged individuals in the horse betting industry. This is in accordance with the implementation of B-BBEE (53 of 2003) together with the national-level targets made for transformation policy development (Krüger, 2014:86). Both institutional and financial capacities are important factors for the effective implementation of the policy, with a focus on the development of previously disadvantaged individuals in terms of the marginalized races in the region.

According to Nel and Viviers (2015:11), there is a need for institutional capacity development for better empowerment of the Black entrepreneurs. The development of a separate regulatory body will help in understanding the compliance and resource management aspects, taking into account the development of an effective entity that will result in holistic development in the horseracing and betting industry. Institutional capacity has still not been allocated and is required for improved access over the already developed market in the region. Institutional capacity will improve the ownership structure, with the development of skills and skills dissemination, thereby contributing to better access for the entire sector by all the existing races in the region. The development of a separate body is necessary as it helps in controlling and managing operational activities with better reviewing of the different changes with the involvement of Black entrepreneurs, thereby helping in better initiation of empowerment initiatives. KZNGB is developed to focus on generating better revenue opportunities through betting, gambling, and other games. The impact of financial capacity development has not reached the desired level to support the business development of previously disadvantaged individuals involved in the sector due to different reasons (Sulkunen, et al., 2018:22).

The successful implementation of the transformation policy requires an understanding of issues involved in providing financial resources to the marginalized sectors so that they can position themselves successfully along with other developed entrepreneurs in the sector. The gambling and betting business requires a significant amount of financial resources as part of the operational costs, but KZNGBB has still not been successful in providing the

relevant funds. Black entrepreneurs can develop business in a better manner if there are better financial support initiatives in the form of low-interest credit, support funds, tax cuts and improved access to the market in the region (Hahmann and Matheson, (2017:17). The government has not allocated enough funds for revision and the implementation of different initiatives necessary to increase the scale of the business. Research has revealed that the transformation policy development requires the development of targeted initiatives. This includes transformation funds for KZNGBB that will assist small business, thereby helping Black entrepreneurs to develop a position in the economy. Funding is still not up to the desired level, and is required for better access to the already operating gambling industry in the region. The focus of the funding needs to be for eliminating the challenges related to getting funds from different sources due to the increased level of deregulation in Britain and many other EU nations (Atkinson, Nichols and Oleson 2000: 628).

2.3.14 Future strategies for holistic stakeholder participation for successful implementation of the transformation agenda

Government regulation is an important factor, taking into account support for the development and improvement of the KZNGBB so that there are growth opportunities for previously disadvantaged individuals in the region. The betting and gambling sector has developed with high revenue generation that has positive implications on social and economic development. As opined by Calado, and Griffiths (2016: 600), economic empowerment of the marginalized sector is required that will help the promotion of economic growth and holistic development, leading to better job generation and poverty reduction in the region. A future strategy is to be adopted that will help in better involvement of stakeholders to promote business development with the articulation of resources in different sectors. Different strategies can be applied so that there is better participation of stakeholders for effective implementation of transformation policy initiation.

Strategies include providing financial sources to a wide range of Black entrepreneurs. This will include the development of a plan that will include the initiation of a financial assistance programme to provide support and resources to the PDI in the form of low-interest credits and supports. Strategies should include lower taxes and better network development with suppliers so that there is better access to the market. Strategies should also include the development of an awareness programme to make people aware of poverty eradication

increases in social equity so that there is better ownership of business. Equity participation is beneficial, as it will further help in the effective delivery of provinces' mandate (St-Pierre et al., 2014: 156). The strategy that will be developed in the future includes the development of better business opportunities with entrepreneur initiatives that will help in better access to learning and business establishment resources for disadvantaged individuals. Skill development courses should be developed that will be beneficial for the existing market players for better development of competencies. Commercial expertise development will result in addressing challenges for stakeholders, including the government, existing business owners, and executives associated with the sector, which will facilitate growth in the sector. Strategies should include better funding resource provision for potential licensees, thereby helping to acquire an interest in a feasible manner for the business. Stakeholders will participate and be associated with the strategic initiatives for overall economic and social improvement.

2.4 GAP ANALYSIS

The literature aimed to understand the importance of public policy development with a focus on understanding different challenges faced in the development of policies that help in positive transformation. The involvement of regulatory bodies and political entities plays an important role in taking into account other challenges, including a lack of financial assistance and holistic acceptance of the stakeholders. There is a significant gap in the literature as there have been studies that have focused primarily on the political environment. In the study of the scenario of the gambling industry in other countries, few resources have emphasized the social impact of gambling. The research resources that have been found to address social implications have been of South Africa with no specific detail about KwaZulu-Natal. Literature related to gambling and betting is limited concerning South Africa, which has created a gap in the literature for more generalized information. The focus has been entirely on analysing the challenges facing transformation in the gaming and betting sector in South Africa, and other nations globally. However, the shifting focus on regulations over time have not been specifically addressed in the study. There has been limited information that has focused on transformation and the need to initiate it. Specific literature focusing on the need for transformation of the marginalized section and the need for involving them in the betting sector has not been found. There is also a lack of information regarding the reflection on the progress and development of decisions that have been adopted by

KZNGBB. Information related to the impact of the political environment has not been specific to understand the appropriate needs of transformation and political impact on the relevant sector.

2.5 CHAPTER SUMMARY

The literature review was developed from the research objective, thereby contributing an effective understanding of different policies in gambling affecting national growth. A review of different literature sources, as related to different countries is necessary as it helps in developing insights of the topic with a focus on collaborating different sources to use information that is used in a structured manner to represent the main aspect of the research objectives. The literature review focuses on the insights developed regarding the research objectives formulated for addressing gambling activities in South Africa and other countries for developing better insights. The KwaZulu-Natal province in South Africa has a legalized gambling and betting sector that was regulated in 1994. The literature review aims to answer questions related to challenges affecting the betting industry in KwaZulu-Natal province. The focus has been on how the politics and power dynamics have had an impact on the formulation of transformation policy and its effective implementation in the betting industry in the province. The other aspects that are reflected in the literature include the facilitation of compliance enhancement concerning the transformational policy and legal framework. KwaZulu-Natal Gaming and Betting Act (8 of 2010) revealed the requirement for the transformation. There has been an improvement in the operational position of the overall gaming and betting industry in Australia and UK. Transformation is required in policy prescriptions in different domains in Australia and UK. The effective functioning of governments globally is required to adapt to changes that bring about systematic changes concerning the needs of society and the community, thereby contributing to different social and economic implications. This needs to be aligned with the legal frameworks and constitutional provisions in Australia and UK. The focus has been on developing a regulatory framework aligning with the needs of stakeholders. The intention is also to promote economic growth in such countries by developing the gaming industry, yet also controlling the ill-effects of gambling on society. The B-BBEE Act, Labour Relations Act, and Basic Conditions of Employment Act in South Africa are considered important acts to implement in the gaming industry. There have been comprehensive changes in the social climate due to the development of the gambling industry in KZN. The impact on society has been due to

the development of the Gambling and Betting Board, with various negative and positive implications. There has been recorded growth with the generation of R569 874 million in gaming and betting tax revenue, thereby leading to a minimising of different negative aspects of betting and gambling. There has been socio-economic development as identified by the KwaZulu-Natal Treasury. This development will result in the development of previously disadvantaged individuals in the social and economic spheres, with better ownership status in different gambling sectors. The focus in countries such as South Africa, Australia, and the UK is on growth opportunities, with equal participation and involvement, thereby facilitating better wealth distribution. The objective of transformation policies includes sector based skill development with the adoption of unique expertise that will help in the development of the business. The challenges include financial inadequacy and a lack of support. This needs to be addressed with better policy prescriptions in the future, and increased support from government bodies and regulators in different countries globally.

CHAPTER 3 – METHODOLOGY

3.1 INTRODUCTION

The methodology chapter offers a unique rationale for this research, which focuses on the challenges faced in implementing a transformation policy in the KwaZulu-Natal gaming and betting industry. The research has focused on different policy-based problems and issues faced in the gaming and betting industry in the KwaZulu-Natal province, and on linking this problem with the main research aims. The methodological approach that has been adopted in the research study is aimed at facilitating an understanding of the integrated and legislative framework that has an impact on transformational aspects of gaming and betting industry in the province.

3.2 RESEARCH PARADIGM

The research paradigm has been adopted as part of the entire methodology. The collection of information and data is necessary to assist in the creation of a concluding approach with an evaluation of values, beliefs, and techniques. The research involves the collection of data and information linked to the main research objectives, thereby assisting in an improved interpretation (Avella, 2016: 316). An interpretive research paradigm was applied that has assisted in understanding the research aspects through subjective experiences. Meaning oriented methodologies like interviews and observation of different aspects among individuals are considered important and there is a dependence on the subjective relationship between the researcher and the subjects.

The process will assist in the assessment of the needs of the research by incorporating the perception of others. Through the process of reasoning, individuals have developed knowledge about the changes required to make the research objectives link with the main literature review, thereby assisting in increasing the integrity of the research (Braun et al., 2019:850).

3.3 RESEARCH APPROACH

A qualitative research approach was adopted in this case to make use of all the resources that will result in a better interpretation of findings and evaluations of the entire study.

Through the entire qualitative research approach, a set of assumptions is created based on the research objective through the examination of patterns of meaning that is based on data that has been collected through different resources (Etikan, Alkassim, and Abubakar, 2016: 3). This is a bottom-up model used for information analysis and in this case, there is an emphasis on the understanding of the research aspects by exploring different information, thereby assisting in analytical procedure development for the research.

The focus on the gaming and betting industry in the KwaZulu-Natal province has increased, and the approach selected for this study will assist in verifying industry transformation, thereby assisting in integrating the information from the literature that has assisted in theoretical analysis. The monitoring of different literary assertions has contributed to deducting research questions. This will facilitate a significant decision making approach with the focus on activities occurring in the gaming and betting industry and political dimensions. This approach has been developed with the aim of designing of different corrective actions (Etikan, Musa and Alkassim, 2016: 4).

3.4 RESEARCH DESIGN

The research design is adopted as an overall strategic procedure that is chosen to integrate the different components of the study in a coherent manner, ensuring that the research problems are effectively addressed with the fulfilment of the research objectives. The research design ensures that the evidence that is gained assists in obtaining information relevant to the entire study (Everett, et al., 2017: 40). The research design allows the research scholar to depend on research methods that are suitable for difference in the subject matter used for setting up the studies.

The study investigated the factors in the political environment that constrain the implementation of the transformation policy, with the goal to ensure effective implementation of the KZNGBB's transformation policy. This is in order to improve on or ensure that there is implementation of the KZNBGG's transformation policy, besides enabling a deeper theoretical understanding of the implementation of policies of transformation. An exploratory research design was conducted in this case since there are few literary sources found for informational analysis from which evidence was adopted through a structured process. The exploratory process will serve as important criteria, offering a hypothetical idea to the entire

research problem (Granell and Ostermann, 2016: 235). There is no concrete solution development that is conducted for evaluating information based on the challenges faced in the gaming and betting industry, and the integrated framework changes that are required to bring revision changes in the transformational policy.

The research design is flexible, with initial groundwork investigations made with the use of secondary data through the dissemination of resources through observation monitoring and verification (Hartmann, et al., 2016). The exploratory framework is applied for the in-depth and compact analysis of all the information considering the values and evidence of different studies. The appropriate data analysis assists in the retrieval of information that is explored to arrive at the most feasible solution through the application of diverse information. Research has been carried out with an exploratory design to facilitate information collection with the use of different data-related aspects to develop insights assisting in understanding the main barriers of implementing the transformational policy (Martens, et al., 2016:9).

3.5 DATA SOURCES AND TYPES

Data was collected from different literary resources. The main aspect of the entire research was addressed through secondary data collected from scholarly articles, journals, books, and relevant educational resources. These sources provided viable information focusing on the transformational policy in KwaZulu-Natal's gaming and betting industry. Information was gathered on different topics, including the regulatory framework and legalized integrated framework. The data types included the monitoring of challenges concerning ownership dynamics in the KwaZulu-Natal gaming and betting industry, thereby assisting in increasing the ownership stake of previously disadvantaged individuals. Data types were analysed and in this case secondary data and primary data in the form of a qualitative approach was applied to develop an understanding of different aspects of the gambling activities in the province. Questions were formulated through the development of the questionnaire used to conduct the interview. A lack of effective strategies, and the need to integrate different aspects was required to assist in addressing the main research objectives (Mohr et al., 2018).

3.6 DATA COLLECTION METHODS

Qualitative research is generally associated with three sources of data collection; namely in-depth interviews, focus groups, and participant observation. The research adopted in-depth interviews as its data collection method, using the questionnaire as a tool to collect data. The data collection method that has been applied is based on the main aspects. A thematic analysis was developed to understand the different challenges faced in the industry. Themes were identified by evaluating existing literature that assisted in developing insights to apply the themes. The primary data collection process has been applied to collect information about different aspects of the research, including authentic aspects. Authenticity and quality were considered and maintained.

Face to face, in-depth, semi structured interviews assisted in gaining information in a detailed manner to explore multiple perceptions, thereby assisting in finding the implications of the research. In this case, there was a need for information related to transforming the gaming and betting industry in line with BBBEE in the KZN province. The political environment of the gambling industry has undergone changes, and the relevant information in this regard was collected from secondary literature-based sources. The information collected increased the scope of understanding the importance of the betting industry and the gaming industry in the province, and how it contributed to the economic development of the province. A targeted approach was utilised to obtain relevant and useful data from respondents. This was done by interviewing the influencers of policy, the regulator, and those impacted by the implementation of the transformation policy, in order to obtain first-hand information.

3.7 SAMPLING TECHNIQUES AND THE SIZE OF THE SAMPLE

The case study design was the main foundation of the qualitative research. It was designed in a manner that revealed the perception and attitude of the targeted audience concerning the topic at hand. In this case, the interview method was used as part of a qualitative research method for an in-depth analysis of the opinions received about the betting industry, compliance, and other aspects related to it in the province (Nowell et al., 2017: 16).

Purposive sampling is a type of nonprobability sampling where members of the target population meet certain practical criteria, such as easy accessibility, geographical proximity, availability at a given time, or the willingness to participate (Ilker et al., 2016:3). Purposive sampling was identified as appropriate in conducting the in-depth interviews with thirteen respondents that were relevant to the study. A targeted approach was utilised to obtain relevant respondents. The respondents have been classified into three groups. The first group is the policy makers, being the Portfolio Committee of Economic Development in the KZN Legislature. Respondents that were identified were the Chairperson of the Portfolio Committee, as well as the Committee Researcher in the KZN Legislature. The role of the Economic Development Portfolio Committee in the Legislature is to make Laws and oversee the KZN Economic Development and its entity, in this case being the KZN Gaming and Betting Board. The Deputy Director General of Institutional Development and Integrity Management in the KZN Premiers Office was also identified as a respondent. The office coordinates transformation by focusing on constitutional compliance. It further provides policy support to the MEC responsible for gaming and betting through monitoring the gaming and betting industry. The last respondent in this category was the Chief Director Business Regulation and Governance at KwaZulu Natal Department of Economic Development; responsible for public entities regulation and strategy implementation.

The second group is that of the implementors of policy, being the regulators. As regulators, the Chairperson of the KwaZulu Natal Gaming and Betting Board provides the Board with leadership in the implementation of the KZN Gaming and Betting Act; the Chief Executive Officer of KwaZulu Natal Gaming and Betting Board has the responsibility of implementing all Board decisions; the Company Secretary in the Gaming and Betting Board ensure compliance with good governance processes, risk and compliance; and the Chief Investigation and Compliance Officer in the KZN Gaming and Betting Board is responsible for conducting investigations on the suitability of potential licensees and the compliance with the terms of the license conditions thereof.

Interviews were also conducted with the third group of respondents, being the stakeholders who are licensees of the KZN Gaming and Betting Board. Five General Managers of the different gaming and betting types were interviewed. These were: Horse Racing, Casinos,

Bingo, Limited Pay-out Machine, and Totalizers. The interview findings were collected and paraphrased according to the insights gained, based on their job positions.

The interview questions depended on different aspects related to the information required. The political environment of the gaming and betting industry in the KwaZulu-Natal province was considered, with an exploration of the importance of the industry and the level of involvement of previously disadvantaged individuals. The questions assessed the challenges, or barriers to making the transformation policy implementation successful. The interview questions focused on the regulatory framework in KwaZulu-Natal and how that affected the policies of transformation in the province (Pacifici, et al., 2017: 845). Insights were sought into compliance factors and power dynamics, taking into account policy considerations that have been covered through the entire interview with a special focus on the contribution of stakeholders. It was important for respondents to participate freely and voluntarily in the research in order to obtain credible information. Respondents were guaranteed confidentiality and that their identities would not be disclosed.

3.8 DATA ANALYSIS AND INTERPRETATION

The data analysis adopted for this study was the thematic analysis. This allowed for an in-depth assessment of qualitative data. The process involved familiarisation with the data, as a thematic analysis is a flexible approach to research, taking the views of people into account along with the knowledge, experiences, opinions, and values. These factors contributed to the development of a qualitative set of data from which themes were generated. Different themes were identified in the research. The literature review was developed by researching different secondary resources. The interview transcripts and the literature review were integrated to create the most appropriate themes. The themes focused on the compliance factor and related challenges to assist in the interpretation of information in an integrated manner (Pavlineri, Skoulidakis, & Tsihrintzis, 2017: 1125). The qualitative research focussed on the interviews that were analysed by considering different responses. The data was analysed by categorization of different themes developed from the literature review and interviews.

3.9 ETHICAL CONSIDERATION

The research aimed to develop a comprehensive understanding of the challenges faced in the gaming and betting industry to initiate the implementation of the transformation policy and the social and political climate affecting the betting industry. The researcher utilised the significant amount of information and data collected to meet the objectives, taking into account different ethical considerations that were necessary for the development of the report (Rahi, 2017: 4).

The data was examined and verified to ensure its reliability prior to utilising it in the report. Assessment and identification of resources and required skills were necessary for the development of proper ways to assist in the design and implementation of policies that will assist in the effective implementation of transformation policy, with a focus on compliance in the gaming and betting industry. Ethical considerations called for an understanding of, and the efficient management of the entire qualitative research process to ensure the credibility of the tools used to increase integrity of the research (Scheurwegs et al., 2016: 16). Respondents were required to give consent to conducting the interview. The questions were carefully formulated according to the research objective. Voluntary participation was ensured to conduct the interview ethically. The research was conducted to draw definitive conclusions that assisted in assessing different techniques while conducting qualitative research. Confidentiality was maintained, with a focus on assessing information in such a manner that the interests of the qualitative research professionals were protected.

It is important to note that the researcher used to be an employee of the KZN Gaming and Betting Board in 2010. The researcher took into cognisance that the dynamics have changed since 2010 and that she is no longer employed at the KZN Gaming and Betting Board, and therefore has no interest in particular directions that the research findings may take.

3.10 RESEARCH LIMITATION

The assessment of limitations was necessary to assist in the identification of loopholes in the research fulfilment in order to increase the credibility of the research. Acknowledgement of the limitations of the study assists in enabling opportunities to create suggestions for research in the future. It is important to acknowledge methodological limitations in order to

understand their implications limitations in the research. The key objective of the research process assisted in discovering new knowledge related to changes in the gaming and betting industry. The limitations that were found in this study included:

Sample size: The sample size of the qualitative research, using purposive sampling was limited to thirteen (13) respondents. This limited the scope of gaining a holistic perception regarding the development of knowledge about the compliance and challenges in the gaming and betting industry in the country. The study was limited to the KZN Province and different results can possibly be obtained if investigated in a different province. This in a way limited higher information generation about the transformational policy and challenges faced in the development and compliance of the legislation frameworks that have had an impact in the gaming and betting industry.

Lack of reliable data: The information collected from different literary sources did not cover important aspects related to gaming and betting. There have been fewer details found about the changes in the position of previously disadvantaged individuals in the KZN province who have been successful in getting involved in the betting industry. The lack of effective information has been an important limitation in the entire research.

Measures used in collecting data: Measures of collection of data were limited to qualitative data. No primary data research method was applied in this case, and no survey or other research technique was applied, which has limited the research from getting detailed information about the collection of data.

3.11 CHAPTER SUMMARY

The research focused on different regulation-based problems and issues faced in the gaming and betting industry in the province and on linking this with the main research aims. An interpretive research paradigm was applied that assisted in understanding the research aspects through subjective experiences. The inductive research approach is a bottom-up model used for information analysis and in this case, there was an emphasis on the understanding of the research aspects by exploring different information in an exploratory manner. The research design ensured that the evidence that was gained assisted in obtaining information relevant to the entire research. The research design was flexible, with

an initial groundwork investigation that used secondary data through the dissemination of resources through observation monitoring and verification. Data types were analysed and in this case secondary data and primary data in the form of a qualitative approach was used. Thematic analysis was used to develop and understand the main implications of the research to link with the main research objectives, thereby assisting in addressing the problem.

CHAPTER 4 - PRESENTATION OF FINDINGS

4.1 INTRODUCTION

In this chapter, the findings that were obtained from the interviews, conducted with the selected participants, is discussed. The findings described the experiences and opinions of respondents relating to the implementation of the transformation policy in the KwaZulu-Natal gaming and betting industry. Semi-structured questions were designed to conduct the interviews. Besides, for the meaningful representation of the collected data, themes and sub-themes were formed based on the objectives of the study.

4.2 RESEARCH FINDING

4.2.1 Participants' profile

For this study, thirteen respondents were chosen and interviewed. However, for interpreting the findings, ensuring the anonymity of the respondents, and maintaining the confidentiality of the opinion shared in the interview, respondents were numbered as Respondent 1 to Respondent 13. The 13 respondents included persons from the KZN Gaming and Betting Board, the Provincial Government in the Premier's office, the KZN Department of Economic Development, and gambling licensees. The supervisor of this research has seen a detailed breakdown of the respondents, however, to guarantee the anonymity of the those who agreed to be interviewed for this research project, this information is not presented here.

The perceptions and transcripts obtained through interviewing from the above-mentioned respondents were organised and presented within the appropriate themes. The themes used in this study are discussed in the below section.

4.2.2 Discussion of the themes

For this study, the themes were prepared based on the questions that were posed to the respondents. The questions posed to the respondents were based on the research objectives of this study. The themes and sub-themes for the concerned study are described in Table 2 below, followed by a discussion on the themes.

Table 1: Themes and sub-themes

Themes	Sub-Themes
THEME 1: Governance and legislative framework	• KZNGB facilitate with the transformation policy and legal framework
	• Assistance for compliance of transformational policies
	• Challenges faced in the transformational policies implementation
THEME 2: Stakeholder management and participation	• KZNGBB's stakeholders behaviour in the obstruction of compliance with the transformation policy and legal framework
	• Strategies and assistance for the improvement of transformational policies implementation
THEME 3: Institutional arrangements, and monitoring and evaluation	• Legislations, power and politics and its impact on stakeholder implementation of transformational strategy
	• Investigating KZNGB adequacy of financial and institutional capacity to monitor and evaluate the implementation of the transformation policy in the gambling industry

Three themes were used for this study. The first theme being an overview of the government and legislative framework comprises three sub-themes. The first sub-theme analyses information on the manner in which KZNGB facilitates and enhances compliance with the transformation policy and the legal framework. The second sub-theme collates information about the various forms of assistance currently in place to ensure compliance with transformational policies. The third-sub-theme collects information about the challenges to achieving compliance for transformation.

The second theme organised information that cited the KZNGB's stakeholders who were involved with the transformation policy. This theme comprises of two sub-themes. The first sub-theme collected information regarding the stakeholder's behaviour, while the second sub-theme collected information related to strategies that could be utilised to facilitate stakeholder participation in the implementation of the transformation policy in future.

The third theme was to organise information related to the institutional arrangement, as well as monitoring and evaluation strategies. This theme was sub-divided into two more sub-themes. The first sub-theme collected information about the impact of power, politics, and the legislature on the stakeholder implementation of transformational strategy. The second sub-theme collected information about KZNGB's financial and institutional capacity to monitor and evaluate the implementation of the transformation policy in the gambling industry.

4.2.3 Thematic analysis

The information collected from the thirteen participants was organised as well as interpreted under each of the following themes and sub-themes provided in the following section of the study.

THEME 1: Governance and Legislative Framework

Sub-theme 1: KZNGB facilitation of the transformation policy and legal framework

This theme discussed the ways in which the KwaZulu-Natal Gaming and Betting Board (KZNGBB) ensured that efficient policies and the legal framework were applied and followed within the KwaZulu-Natal's Gaming and betting industry. The theme discussed the ways in which KZNGBB established and facilitated the transformation policy and the legal framework to make it possible for disadvantaged persons to participate in the gaming and betting industry, as well as in the socio-economic development in KwaZulu-Natal. For example, as stated by Respondent 1:

“KZNGBB primary focus is to make everyone comply with regulation and gambling act... And to ensure... all licensees are complying with the act and laws...”

Further, Respondent 2 mentioned that KZNGBB were collaborating with Ithala Bank of KZN so that funds could be acquired to support thriving entrepreneurs or SMMEs in the KwaZulu-Natal province of South Africa. Additionally, Respondent 3 highlighted that KZNGBB plays a role in monitoring and analysing whether licensees are compliant with the KZNGBB legislation and regulations or not. Respondent 3 also states:

"The Board, through its Licensing Committee summons the untransformed licensees to explain themselves. The KZNGBB Act Section 87 is also one instrument the Board utilises to penalise the non-compliant licensees."

Furthermore, based on the data collected from Respondent 4, it was noted that KZNGBB facilitates and enhances compliance by ensuring strict compliance in its ownership and management styles. This is done through conducting its own B-BBEE compliance and capacitating the KZNGBB compliance inspectors for B-BBEE compliance with efficient mentoring tactics and technique. Respondent 5 highlighted the KZNGBB's role in the economic development of the KZN Gaming and Betting Industry Transformation Policy. Respondent 5 states:

"The KZNGBB is a government entity that reports to the KZN Economic Development... It plays a governance role ensuring compliance with relevant legislation, the PFMA and also ensuring corporate governance..."

The information collected from Respondent 5 and 6 were aligned; however, Respondent 6 went further to mention that KZNGBB was supported by three departments, being Economic Development, the Premier's Office, and Provincial Treasury. The three departments designed programmes for social development by providing the required funds to aspiring entrepreneurs and by developing the skills of people living within the society. Thus, many respondents revealed that KZNGBB facilitates compliance to achieve the empowerment of previously disadvantaged individuals in the society, as well as to maintain the ethics and integrity within the gaming and betting industry of the KZN province of South Africa.

Sub-theme 2: Assistance for Compliance of transformational policies

This sub-theme focussed on the laws, regulation, rules, and strategies for compliance with the transformation policies for KZNGBB. This sub-theme also briefly provides information about the legislative framework of KZNGBB, and defines the conditions for successful policy implementation along the way to make the transformation policies effective.

The data collected during the interview reflects that different factors need to be considered while implementing the transformation policy successfully. It was found that KZNGBB

monitors the gaming and betting industry of KZN to determine whether companies and personnel within the industry follow the law or not. For instance, Respondent 5, regarding KZNGBB role, states:

"In a long term, the KZNGBB Act may also need to be reviewed."

The above statement indicates that KZNGBB plays a role in monitoring and reviewing laws, such as the KZNGBB Act. Moreover, Respondent 5 elaborated that KZNGBB deals with Broad-Based Black Economic Empowerment Act (BBBEE Act), the Labour Relation Act, the Basic Conditions of Employment Act, and the National Gambling Act. Based on these acts, they monitor whether each company and the personnel involved in the gambling and betting industry follow the relevant acts and regulations. According to Respondent 3, KZNGBB monitors the non-compliant licensees and penalises them in order to enforce compliance within the transformation policy for the gambling and betting industry. Regarding KZNGBB, Respondent 3 states the following:

"KZNGBB Act Section 87 is also one instrument the Board utilises to penalise the non-compliant licensees by revoking their licenses in order to enforce compliance."

Respondent 3 and Respondent 1 agree that the conditions of the licensees needed to be examined properly and that compliance management needs to be involved so that historically disadvantaged individuals are able to participate and involve themselves in the gaming and betting industry. Respondent 1 further stated that the MEC for Economic Development in KZN played an important role in making compliance progressive by monitoring different activities that were required to make policy implementation successful. From the interview, it was gathered that the policies for KZN's gaming and betting industry were facilitated by different committees and organisations, including the portfolio committee in the Legislature, and the Social Ethics and Transformation Committee. These bodies look more at licensees' compliance, along with different social and economic factors. For instance, both Respondent 9 and 10 mentioned the role of the licensees in the implementation of the policy and in ensuring its effectiveness for historically disadvantaged individuals. Regarding licensees, Respondent 9 states:

“Licensees... are bound to pay taxes back to the province from the revenue we make in the business... we are bound to make an impact by ensuring job creation... through corporate social investment initiatives.”

Licensees' opinions were necessary, as shown by Respondent 7's interview concerning horseracing and betting for supporting the transformation policy of the KZN gaming and betting industry. Concerning the horseracing industry, Respondent 7 stated that the policies implemented needed to be verified and amended according to the changes in the external environment, and the policy needed to be adjusted according to the needs of other communities. Respondent 1 and 7 noted the link between the inefficiency of the Investigation Department in the KZNGB Board (specifically in the horse racing industry) and compliance-related issues. Respondent 10 agreed that the KZNGB Act, Section 87 included provisions for the penalisation of the licensees that thwart compliance. Respondent 9 added that the legislation had been developed to maintain compliance and a stable framework through which the comprehensive policies can be implemented.

However, the issue with compliance was that the penalisation was not uniformly implemented. For instance, Respondent 3 mentioned that compliance with the transformation policy is thwarted, especially by White licensees, thus creating discrimination within the society. Regarding the discrimination, Respondent 3 states:

“...denial to shift from White privilege... is done mainly by White licensees... The excuse would range from inability to find the suitable Black person and or lack of funding to support...”

Respondent 10 noted that White licensees were reluctant to share power, thereby improving opportunities for previously disadvantaged individuals. Respondent 8 also agreed with this shortcoming as noted in his own words:

“The process was stalled deliberately by license holders who do not wish to see Black entrepreneurs sharing on the economy.”

Moreover, Respondent 8 suggested that some officers within the KZNGB Board were involved in the manipulation of financial statements and taking bribes, leading to thwarting compliance. Respondent 2 placed significant focus on the horseracing industry as this had been least affected by transformation policies. Regarding this, Respondent 2 states:

"It would also need to look at specifically the horseracing part of gaming, as that is the sector that had been identified to be less if not zero transformed."

Respondent 12 opined about the role of the Portfolio Committee of Economic Development in the KZN Legislature and pointed out its failure to track performance. Respondent 11 added that there is need to restrict the practice of fronting in the betting industry *"by being compliant with the BBBEE Act and doing away with fronting."*

Interestingly Respondent 13 noted that many licensees thwart compliance with transformation policy and found a similarity between this and the BBBEE Act and suggested that *"clarification would need to be given as to what will set the policy aside from BBBEE"*.

Therefore, it was gathered that KZNGBB monitored whether companies and personnel involved in the gambling and betting industry were following the KZNGBB Act, BBBEE Act, and the National Gambling Act. Moreover, the KZNGBB was found to be involved in identifying non-compliant personnel, organisations, and licensees and penalizing them. However, it was found that policies involving the KZN gaming and betting industry were facilitated by the portfolio committee. For instance, accepting bribes within the Portfolio Committee, and discriminatory approaches by White licensees towards historically disadvantaged individuals were some of the issues compromising compliance to the transformational policies.

Sub-theme 3: Challenges faced in the transformational policies implementation

The main focus of this sub-theme was to identify the challenges in the implementation of transformational policies. Further, the sub-theme described external and internal factors that act as hurdles for KZNGBB.

From the interview, different respondents mentioned different challenges and hurdles in the implementation of transformational policies in the KZN gaming and betting industry. For instance, Respondent 10 cited issues minimising the structure of ownership and the Board's composition such that is needed for better implementation of the policies. Further, Respondent 10 mentioned that the lack of consultation and arriving at a specific consensus without proper investigation was the major challenge in the formulation of policy. Regarding policy formulations, Respondent 10 states:

"No consultation whatsoever was done by the Board to its stakeholders."

Respondents 1, 2, 3 and 4 mentioned the predominance of White male licensees in the gambling and betting industry of KZN that creates a hurdle for KZNGBB to maintain ethics and compliance in the transformational policies. Respondent 3 states:

"The industry is still White male-dominated... are just not interested to accommodate Black players in the industry."

Based on Respondent 3's opinion, it was found that White licensees dominate the KZN gambling and betting industry, and due to the presence of cultural and social differences, White licensees discriminate against the Black players or licensees within this industry. Due to this reason, the main goal of KZNGBB, which is to support historically disadvantaged individuals and develop KZN society, was challenged. About Totalizers, Respondent 13 mentioned the licensee role based on Section 110 of the KZNGBB Act and noted the lack of involvement of Totalizers as licensees. The challenge of ineffective public participation was noted by Respondent 3 who further identified an increase in the White community and a decrease in Black owners in the KZN gambling and betting industry.

On the contrary, Respondent 12 mentioned that Limited Payout Machines (LPM's) were mostly owned by Black Licensees to *"...alleviate poverty and empower Black entrepreneurs..."*

From the above, the key reason for the incorporation of LPM was that it increased Black ownership of LPM licenses as an attempt to empower the Black entrepreneurs. However, it

was noted that LPMs generate less income as compared to the other methods of gaming. Regarding Black ownership of LPM machines, Respondent 12 further elaborated that White licensees did not want Black entrepreneurs to reach their level, due to which, they restrict Black people from generating more revenue from other gaming and betting options. In this context, Respondent 8 stated that there is also a need for inclusion of the Black community in ownership in the industry to facilitate economic and social development. As advocated by Respondent 8, the percentage of Black ownership was limited in the granting of new licenses:

“At later stages, once licences have been granted, it appears that the Black percentage of ownership ceases to exist”.

Respondent 11 agreed with this proposition, stating that the big players were resistant to the Black entrepreneurs’ empowerment, hence the resistance towards the transformation policies. Further, Respondent 4 noted that participation issues created hindrances in policy implementation, as different individuals and licensees offered excuses related to the B-BBEE Act. Additionally, Respondent 5 added that the challenges faced in the implementation include a lack of punitive measures for not implementing transformation effectively due to the ineffectiveness of legislative powers.

On the other hand, Respondent 7 stressed the challenges faced by licensees in horseracing. These challenges include a lack of understanding of the complex and contradictory legislation. Further, Respondent 2 pointed out the unethical measures undertaken by some members of the KZNGB Board. Respondent 2 mentioned that the board violated the BBBEE Act and KZNGBB Acts as they issued a license to the terminals and individual owners without informing the MEC overseeing the entity. Thus, it was found that KZNGBB was not efficient in maintaining and monitoring the policies. Furthermore, Respondents 1, 2, 3, 7, and 10 noted that the inadequate implementation of the transformation policy was due to resistance from the big industry players, and the reason for the resistance was the conflict of individual interest with Black economic empowerment. The above finding was clearly interpreted by Respondent 2, who stated:

"Now the government comes in with its Black economic empowerment as well as radical transformation agendas, it is bound that it will not be easily accepted by the industry players."

The finding mentioned that the interests of the individual players comes into conflict with the agendas for the radical transformation and empowerment of Black entrepreneurs within the KZN province. Most of the respondents were in agreement that challenges existed for Black people within the gaming and betting industry of KZN. However, it was found that the challenges existed for the Black licensees, as they did not provide much revenue to the gaming and betting industry. Respondent 9 agreed with this:

"Black partners having no cash."

Further, Respondent 9 mentioned that Black partners and entrepreneurs lack cash due to not being compliant with taxes. However, Respondent 5 revealed that transformational policies were not being implemented properly due to a lack of proper coordination among the stakeholders of KZNGBB. Regarding the improper coordination among stakeholders, Respondent 5 revealed that in 2013, due to a lack of stakeholder consultation and abuse of power, the transformation policy was not implemented effectively. Furthermore, Respondent 13 states:

"...they often do allow power to cloud their judgement by enforcing policies without proper consultation..."

The statement of Respondent 13 reveals that a lack of proper consultation with licensees and other stakeholder makes the transformational policies ineffective as it creates pressure on the stakeholder to generate revenue with the sudden change in policy.

Regarding the improper implementation of policies by KZNGBB, Respondent 10 states:

"The Act allows the Board to be reappointed in every 5 years... The Board also needs to improve its capacity as far as compliance, license and registration is concerned."

The findings revealed that KZNGBB lacks the capacity to monitor, evaluate, and implement the transformation policies within the gambling and betting industry because the KZNGB Board changes after every 5 years. Newly appointed members viewed the challenges of the KZN from a different perspective and implemented new mandates and priorities in each term. The new mandates and priorities forced licensees to change their framework and working operation, and as a result, revenue generation from the gambling industry changes.

Therefore, from the above, it was stated that the presence of economic and political domination in the composition of the Gaming and Betting Board, as well as the control over license issuances were the source of inequity and unfairness in the transformation policies. Moreover, KZNGBB lacks the capacity to empower Black entrepreneurs and maintain ethics within the gambling and betting industry due to the presence of corruption within the Board, as well as the domination of White licensees in this industry. It was also found that KZNGBB did not properly coordinate with its stakeholders, due to which the implementation of transformation policies, become inefficient.

THEME 2: Stakeholder Management and Participation

Sub-theme 1: KZNGBB's Stakeholders behaviour in the obstruction of compliance with the transformation policy and legal framework

This sub-theme reflects on the behaviour of KZNGBB's stakeholders in the obstruction of compliance to the incorporation of the transformational policy and legal framework. The respondents revealed that KZNGBB was formulated to empower historically disadvantaged individuals; however, they have found it challenging to build a strong policy to empower the PDIs. Regarding this, Respondent 3 stated:

"...inability to find the suitable Black person and or lack of funding to support the desiring PDI's for the transaction."

The interpretation of the statement revealed that there is less emphasis on identifying suitable Black licensees within the gaming and betting industry. Further, it was found that

stakeholders were facing difficulties in supporting the PDI, due to the lack of efficient financial resources. However, Respondent 5 states:

“...there were issues that were sighted by the stakeholders, such as that of threats to take the KZNGBB to court because of failure to follow relevant procedures prior to implementing the policy.”

The interpretation of the statement revealed that the stakeholders of KZNGBB faced challenges in implementing the policy due to scepticism that other licensees could take them to court. Moreover, Respondent 2 revealed that the gaming and betting industry of the KZN province was highly dominated by White licensees, who generate a high amount of revenue.

The KZNGBB would not develop policies that hamper the working system of the White licensees; as a result, disadvantaged entrepreneurs suffer. Further, the presence of high political influences in the development of policies creates hurdles for the KZNGBB to build efficient and reliable transformation policies for the development of every section of society. Thus, many of the respondents revealed that the major stakeholder, being the KZNGB Board, was inefficient to empower the disadvantaged section of society, and that they were more inclined towards a particular section of society.

Sub-theme 2: Strategies and assistance for the improvement of transformational policies implementation

This sub-theme emphasised the different ways through which improvement in the implementation of the transformation policies within the gambling and betting industry of KZN province could be achieved. The strategy identified would be based on nullifying the challenges faced by the KZNGBB and its different stakeholders along with licensees, and Black entrepreneurs.

The findings from the interview reveal that in order to develop efficient strategy, changes in the structural dimension were necessary to understand the capacity of other communities, along with their contribution to the industry and the problems they face. For instance, Respondent 2 states:

“...we need to ensure the involvement of more communities in the industry...”

The finding revealed that the KZNGB Act was efficient to take measures against the non-compliance through proper investigation and consultation; however, to make the Act effective, it was found that the KZNGB Board capacitates the community within the required skills. Moreover, Respondent 2 elaborates that an extreme strategy and intervention plan is required to revoke licenses, especially for those cases that resist the KZNGB Act, as well as national and provincial B-BBEE strategies. A strong consensus had been reached regarding progressive and inclusive changes in the system of license issuing and renewal. The strategy related to the change in the system was evident from the responses of Respondents 9, 10, 11, 12 and 13. These respondents agreed that institutional changes are possible through following regulatory requirements and making changes to the members of the Board. Changes in the Board, involving a new vision, and changes in the member composition from other communities will help in managing the implementation of the transformation policy. Furthermore, Respondent 11 opined that new strategies for the KZNGBB to apply in the future should include the collaborative participation of all the stakeholders. Respondent 11 states:

“The KZNGBB needs to take its licensees into consideration when formulating policies that will directly affect them.”

From the responses, it was evident that for successful transformational policy implementation, KZNGBB needs to involve the licensees and its other stakeholders, so that each stakeholder will efficiently implement the plan based on the designed strategy, without facing any problem. Further, Respondent 2 and 8 mentioned that the Department of Economic Development and KZNGBB were working together for ensuring better consultation with the stakeholders. However, the collaboration was found to be inefficient as most of the licensees were not involved during the decision-making and policy formation process. Moreover, the respondent mentioned that there was a need to publicize overall participation with detailed inputs and details for better coordination of policy development. Respondent 5 and 6 mentioned that stakeholder participation and involvement of the licensees must be ensured by setting up discussion forums where different inputs are

communicated to create the transformation policy. Respondent 4 suggested ownership inclusivity as a necessity that must be assured for better implementation of the policy with the use of available financial resources. Respondent 1 and 4 agree that the legal powers of licensees that have a monopoly in the industry needs to be revised within the regulations of the BBBEE Act. Respondent 4 states:

“Capacitating all operational staff on BEE auditing and compliance monitoring.”

Further, Respondent 4 added that there was a need for the revision of skills and capabilities of the regulators and officers to ensure the efficiency of the Betting Board. Respondents 4, 5, and 9 - 13 agree that the regulatory reforms should aim at the involvement of people from different economic positions in the betting industry for better contribution to the economic development of the region. Respondent 10 mentioned that to bring positive changes, the Department of Trade and Industry should be approached to look for a variance with the regulations noted in the BBBEE Act to pursue those 'exempted'. This measure had however not been undertaken by any other respondent in the interview. Respondent 10 had also stressed the need for strict implementation of the KZNGBB Act Section 87 in the industry. Respondent 2 had noted that there is a need for the board to create opportunities for PDIs to ensure better economic conditions that can contribute to economic development. This should also be effective in reducing poverty and inequality in the Province. Respondent 2 had suggested there should not be an excessive focus on the B-BBEE certificates, thus differing from the majority of respondents. As noted in the words of Respondent 2:

“Conducting own BEE compliance auditing instead on over-reliance on the B-BBEE certificates would provide better assistance.”

Furthermore, it was found that there was a need for equipping the compliance inspectors with effective tactics and techniques for their monitoring techniques. There is a requirement for cancelling licenses that are non-active, so that new licenses can be released for increasing compliance with the transformation policy. Many respondents have strongly supported the need for penalties and stricter enforcement when non-compliance is identified. Respondent 8 further added that there is a need for reporting the legal contraventions to the B-BBEE Commission, and that the capacity development of the

entrepreneurs and staff need to be enhanced. On the other hand, Respondent 3 and Respondent 7 agreed that there should be a suspension of licenses in cases where owners and license holders fail to comply with rules. Respondent 3 further states that the success of the transformation policy will depend on whether the policies allow young entrepreneurs into the ownership structure. This will help to improve the contribution in the sector that will aid economic development. However, this had not been suggested by other respondents. Contrarily, Respondent 4 mentioned the provision of potential PDI with required training and support so that small businesses would be developed and the economic development of the province would be boosted. Respondent 5, unlike other respondents, suggested that information verification was an important factor that had to be assessed and aligned with South Africa's labour laws. Information management is an important aspect to be maintained by the department to make the policy work effectively according to the norms prevailing in the entire sector.

From the above, it was found that many respondents mentioned that strategies should be put together through which non-compliant licensees or individuals would be identified and penalised. Moreover, for the preparation of the strategy and efficient transformational policy implementation, KZNGBB needs to collaborate with its other stakeholders. However, it was also found that strategies involving empowering historically disadvantaged individuals, including Black licensees as well as a young entrepreneur would pave a way towards economic development.

THEME 3: Institutional Arrangements, and Monitoring and Evaluation

Sub-theme 1: Legislations, power and politics and its impact on stakeholder implementation of transformational strategy

This sub-theme discussed the impact of legislation, power, and politics on KZNGBB's stakeholders. This sub-theme provides information on the change in transformational policies for the gaming and betting industry within the KZN province, due to the influence of power and politics conducted by different individuals in powerful positions. Respondent 3 shared that the strategic aim of the KZN Gaming and Betting Industry is to pass effective legislation that will have a positive impact on the KZN province. It shall involve all the

stakeholders in such a manner that their best interests are served. Respondent 3 added that the transformation policy must include legislation that focuses on including the marginalised section into the sector to maintain equality for enhancing development. Respondent 1, 2, and 3 agreed that there are different obstructions, including the lack of understanding of the legal framework for better inclusion of the Black community. Correcting this will aid compliance by the licensees registered. Respondent 9 further stated:

“So yes, politics and power does impact on the transformation policy in a bigger way.”

Respondent 9 explained that legislation and business work simultaneously; however, the presence of the wrong people in political parties render the entire system unethical and unorganised. Respondent 10 further elaborated that many people within the KZNGB Board maintained a proper relationship with political leaders, due to which these people utilise their power and political support in their favour. Respondent 3 and 4 believed that the legal framework and compliance are part of the entire process that needs to be prioritised according to the different type of frameworks and social conditions in the Province. Further, Respondent 3 and 4 mentioned the impact of different legislations on the transformation policy as well as the presence of political conditions and management structures of the gaming and betting sector in which different set of rules and regulations were followed without maintaining uniformity. Respondent 5 further added that the political dynamics, government support, and powers of the legislation are responsible for overseeing different activities that have assisted in transformation. Moreover, Respondent 5 states that the KZNGB Board, being a regulatory body built for maintaining ethics and integrity within the gaming and betting industry of KZN, was heavily influenced by different political parties. Regarding this, Respondent 10 provided the following opinion:

“It’s a matter of power and placing people in positions where they can attempt to enforce the opinions of certain political beings.”

Therefore, due to a lack of integrity, uniformity, trust, and the presence of many political parties, it becomes difficult for the KZNGBB to design a specific agreement and specific policies. Respondent 1, 3, and 5 have stated that issues in the political system and party system had not been successful in fulfilling the interest of all the members. Furthermore,

Respondent 7 held that an abuse of power by some advantaged licensees and multi-party politics and lobbying was a threat to the industry. Respondent 7 provided details about the horseracing industry and stated that the ruling party was responsible for making different policies, especially for the horseracing industry, since, it was found to be the least transformed method of gambling; however they overlooked other gambling processes as it did not provide much profit. Respondent 10 further stated that in times of failure of policy, the stakeholders present in the industry excused themselves by stating issues in finding the appropriate Black person or funding limitations to support PDI's. Additionally, Respondent 10 mentioned that stakeholder implementation was driven by power and politics:

"...each appointment within the 5 years of the KZN Gaming and Betting Board's lifespan is motivated and aligned politically..."

Respondent 10's statements revealed that the change in the KZNGBB board after every five years makes room for political influences. Therefore, if board members failed to perform based on the interest of the political parties, then it was found that they were likely to be changed or removed from the board member position of KZNGBB. Furthermore, Respondent 13 noted an element of nepotism driving bias in the implementation of the transformation policy suggesting:

"Not only was its power and politics, but it also had an element of nepotism".

The above statement revealed that power and politics within the gaming and betting industry of the KZN province were found to be heavily influenced by people in a powerful position, and due to the prevalence of nepotism; this was found to be increasing. However, Respondent 12 deliberated on the role of Portfolio Committee and its impact on the transformation policy stating its role:

"To detect and prevent abuse, arbitrary behaviour or illegal and unconstitutional conduct on the part of the government and public agencies".

From the above statement, it was revealed that although there are power and political influences within the KZNGBB, due to the presence of the portfolio committee, illegal and

unconstitutional conduct was highly prevented. Nevertheless, the presence of the impact of politics and power could not be overlooked. The majority of the respondents have noted different budgetary constraints faced by the Betting Board that have been ignored by the government. Further, the majority of respondents revealed that power and politics were found to provide more opportunity to White licensees, while imposing challenges for youth entrepreneurs, as well as for people belonging to the disadvantaged section of society.

Sub-theme 2: Investigating KZNGB adequacy of financial and institutional capacity to monitor and evaluate the implementation of the transformation policy in the gambling industry.

This sub-theme discussed the financial capacity and institutional capacity of the KZNGBB. Further, this sub-theme monitors and evaluates the efficiency of KZNGBB in the implementation of transformation policies within the gambling and betting industry.

Respondent 1, 2, 3, and 4 mentioned that KZNGBB has both the institutional and financial capacity to monitor as well as evaluate the implementation of transformation policy within the gambling and betting industry. However, Respondent 3 and 4 mentioned strategies through which KZNGBB could enhance its capacity. The strategies include providing training to officials. For instance, Respondent 4 states:

"To an extent, there is capacity, on top however, there is needed capacity building training and development amongst officials..."

Further, Respondent 3 shared opinions of the issues in the efficiency of government practices and stated that government is an integral part of transformation that plays an important role in managing the policy. Therefore, strict changes should be introduced into the system to ensure that every Board member is included in the decision making. Further, Respondent 3 mentioned that management should play an important role to improve performance level. Stakeholders must be involved with a focus on compliance.

Respondent 4 strongly stated that the policy should be considered so that the individual's share could be increased based on the BBBEE Act of 2000. Respondent 4 also suggested that there is need to fulfil different legislations that were not initially met. Hence, there is a

need for progress towards the implementation of policies, with a focus compliance enhancement. Respondent 4 noted that there are new incorporations planned that include a transformation fund through empowerment strategies in discussion with Ithala Bank. Respondent 4 added that financial resources are inadequate for continuous development, and the focus needs to be on socio-economic transformation in the industry to make different opportunities available for PDIs. On the positive side, Respondent 5 and Respondent 12 agreed that the gaming and betting sector made a significant contribution to the economy and the MEC had made efforts to bring positive changes. Respondent 13 added that a large amount of financial resources investment could be assured with structural changes in the Board and the regulatory agencies, and through addressing the incompetency gaps. Respondent 10 recognised that the Board tries to work out its operations even with a minimal budget and that it has faced budgetary constraints due to austere policies of government:

“Even when budget cuts are done our case is never considered regardless of our motivations...”

Respondent 5, unlike other respondents, noted that the portfolio committee was responsible for the adoption of different steps to transform the industry as per the suggested strategies by the management board. The committee in the legislature was associated with compliance management and making use of Sector Oversight Model. Respondent 5 stated that the Model assists with guiding the entire process to evaluate the performance of different departments. Respondent 5 contributed to understanding the role of the portfolio committee. It had focused on the function of the provincial department. In his opinion, there had been an assessment of NCOP bills with a review of the performance of the KZNGBB where the expenditure and policies consistency is focused.

There is a strong consensus among the respondents regarding the vision of the policy, which is to ensure the revision of the structures of ownership. The interpretation of the data revealed that most of the respondents believed that KZNGBB has the capacity to maintain integrity within the gaming and betting industry; however, due to the influence of politics, KZNGBB becomes inefficient in implementing the transformation policy into the industry. Regarding the financial capacity, many respondents mentioned that proper support from the

government and MEC had assisted the KZNGBB to enhance their financial capacity and resources.

4.3 CONCLUSION

This chapter presented the data that was collected from the interviews. Interviews were conducted with 13 different individuals to gain information about KZNGBB compliance, stakeholders, and capacity. It was concluded that KZNGBB facilitates compliance for the empowerment of the disadvantaged section of society. Further, the KZNGBB penalises non-compliances that occur in the gaming and betting industry of the KZN province of South Africa based on the KZNGBB Act, the BBBEE Act, and the National Gambling Act. It also maintains ethics and integrity within the industry. However, the chapter concludes that KZNGBB lacks the capacity to empower Black entrepreneurs even though they have the institutional and financial capacity. The chapter highlights that due to the presence of corruption within the board, as well as the domination of White licensees in this industry, KZNGBB fails to maintain and implement the transformational policy. Further, the influence of White licensees as the dominating aspect of the market creates an additional problem for the KZNGBB to empower historically disadvantaged individuals and Black youth entrepreneurs. The chapter also concludes that KZNGBB did not properly coordinate with its stakeholders. As a result, implementation of transformation policies became inefficient. Moreover, the influence of political pressure and involvement of people in powerful positions within the KwaZulu-Natal province creates a problem for the successful implementation of transformational policies in the gaming and betting industry.

CHAPTER 5 - DATA ANALYSIS

5.1 INTRODUCTION

The interviews were conducted to understand the challenges faced in implementing the transformation policy in KZNGBB and how political and power dynamics have contributed to the implementation of the transformation policy of the betting industry. Themes were identified based on the key factors in the research objectives (Delis, et al., 2014: 253). Financial constraints have been affected by the austerity measures in the government. These findings were aligned with different resources in the literature review. The analysis will further coordinate different aspects from both the primary and secondary research resources to validate the research results.

5.2 DATA ANALYSIS

THEME 1: Governance and Legislative Framework

Assistance for Compliance of transformational policies

The transformation policies will ensure better compliance management with the integration of certain policies that will help in bringing changes in the structure of ownership in the gaming and betting industry. Compliance has to focus on the regulations. The transformation empowerment fund that has been developed, as understood from the interview, will assist in capacitating the PDIs through training and support. The KZNGBB Act Section 87 will assist in assessing the overall compliance. A lack of coordination with the old players must be assessed with managing the overall resistance; this should pave the way for the development of the transformational policies. The resistance to changing ownership, and to include the Black community has been thwarted, and has resulted in underlying issues. Consequently, there is a requirement to revise the entire policy with appropriate compliance framework. The literature review assessed the importance of legal compliance, from which it gained an understanding that better legal implications will assist in the empowerment of the overall industry (Segal and Maroun, 2014).

“KZNGBB’s primary focus is to make everyone comply with regulation and gambling act... And to ensure... all licensees are complying with the act and laws...”

There have been changes in policy formulations to ensure effective management of the political environment, with efforts undertaken by the gambling commission to increase diversity and inclusivity with equal opportunity assessment in the region. Compliance has to be controlled by monitoring the procedures to increase capability in aligning with the needs of regulation and licensing. Ethical social and related factors have to be undertaken to regulate the environment, thereby arriving at the most feasible consensus. The aligning of KZNGBB with the BBBEE Act helps in managing the overall regulation in the sector.

KZNGBB facilitates compliance with the transformation policy and legal framework.

Planning and clarification are an important part of the entire process as far as setting the policies with the integration of the legal framework. Based on the interviews, it has been understood that there has been a lack of capacity and proper procedures implemented to maintain the legal framework in the KZNGB board. The challenges faced in the policy implementation include a lack in executing strict disciplinary measures by the KZNGB Board. As revealed by the interviews, politics and power play an integral role, which has increased the differentiation of priorities, corruption, and manipulation. This has occurred with unequal assessment of opportunities, with the focus on coordination failure in involving people from different backgrounds. This will involve the empowerment of Black entrepreneurs with the focus on making significant changes in the policies (Wilson, et al., 2015). The alignment with the BBBEE Act is required with a comprehensive approach used in managing the process of transformation policies. Findings from the interviews and analysis drawn from the literature review emphasised the need for the transformation policy to transform the higher levels in the province, and to ensure the inclusion of other lower levels in the gaming and betting industry of the province. It was also noted from literature findings, that the betting, casino, and horse racing industry are the industry sectors that are most disadvantaged in terms of ownership. The overall system is thwarted and there is a need for strict measures to be adopted to reduce discrepancies by making changes in the framework. As part of the functions of licensee's management, control is necessary through ownership changes to maintain compliance with the legal framework. The mandate of the KZN Economic Development Department in KZN, as understood from different literary sources, is to address inequalities within the province. This will assist in facilitating compliance and reducing poverty.

"KZNGBB Act Section 87 is also one instrument the Board utilises to penalise the non-compliant licensees by revoking their licenses in order to enforce compliance."

Challenges faced in the transformational policies implementation

Challenges include a lack of stakeholder consultation and procedural approval of the policies, as understood from the interviews. New applications were refused because there was power in the hands of the Boards with no prior provisions. The ownership and control of the industry are the main challenges, with no provision made to inculcate the process of increasing Black ownership in the KZN gaming and betting industry. Politics and the regulations imposed by the government have an impact on the policy, resulting in different changes in the policy. While some respondents consider the alleged abuse of power by White licensees and the negative impact of the multi-party system and lobbying, some respondents showed trust in the new Board and the regulators. Additionally, KZNGB Board Compliance Officers have been found to be involved in the manipulation of financial statements and taking bribes, which equate to thwarting compliance

"No consultation whatsoever was done by the Board to its stakeholders" in policy formulations.

"To detect and prevent abuse, arbitrary behaviour or illegal and unconstitutional conduct on the part of the government and public agencies".

Challenges in implementing the transformation policy have been identified. The literature review and interview findings have reflected on better training opportunities for the officials involved in the implementation and enforcement of the regulations and legislation. All the legal contraventions need to be noted and reported to the BEE Commission, as deemed necessary by the interviewed official. The inclusion of previously disadvantaged individuals, with a revision of the ownership structure in such a manner to improve the management of the policy with holistic development is considered. There is still resistance faced in transforming the entire industry by the large old players. There are barriers of entry into the industry and the KZN legislature has to play an oversight role in the process to ensure that entities abide with the mandate. Lack of proper procedures and investment in the process for the transformation is considered as an important challenge. There is a poor level of

support for previously disadvantaged people. Different literary sources have examined the challenges related to control, and the institutional reforms that have limited development. This has aligned with the findings of the interviews by assisting to understand the context of the challenges in bringing changes in the policy implementation. There is a slow rate of growth in the provision, and a lack of coordination that has increased the challenges with unbundling of transformed licences, lack of uniform approach and monopoly remaining in the industry.

The theme focused on the importance of the legislative framework that will navigate the process of transformation with changes in ownership. Alignment with the B-BBEE Act and the rules of compliance have to be considered for improved management of licensing with appropriate public participation. The problem statement implicating challenges faced and the impact of power and politics in making changes in the policies have been reflected through the analysis, with an understanding of the aspects that have obstructed the implementation policies. Interview and literature findings have reflected on the problem statement that noted the issues in the uniform application of the transformation policies in the gaming and betting industry. In response to the problem statement, the interview findings and literature sources have stated that the industry regulations and external conditions should not be relaxed under any circumstance, so that the owners adhere to the regulations.

THEME 2: Stakeholder Management and Participation

KZNGBB's Stakeholders behaviour in the obstruction of compliance with the transformation policy and legal framework

The framework in the KZNGB Board has a significant impact as understood from the qualitative research conducted through the interviews process. The assessment and empowerment of disadvantaged individuals by feasibly managing politics with an even distribution of power will facilitate development of stakeholder management. Policies are developed to increase engagement with the coordination of opportunities, thereby helping in holistic development and transformation of the policies. The government plays an important role through policy and legislations. Resistance is often faced in the structure of ownership and there have been restrictions in the integration of disadvantaged individuals within the ownership level. Certain changes are restricted in the B-BBEE Act to assess the

behaviour of stakeholders who play an integral role in obstructing the compliance of the transformation policy. Different industry players have a significant investment. The problem is with the transformation agenda and Black empowerment, facilitated by the government to increase equality in the gaming and betting industry. There have been issues related to legal prosecutions of KZNGBB and failures in different aspects. There is the impact of politics and power on the policies where correct judgements are clouded without the right decisions being made. The government and legal regulators increasingly support the situation, while other aspects include the resistance of the inner players with strong economic backgrounds that hinder the management of compliance and assessment of a strong legal framework contributing to Black empowerment. Different literary sources stated that the notable impact of the political environment is unavoidable. Policies have been paved by coordinating the recent legislative framework, but there has been a lack of holistic acceptance due to certain obstructions faced from the internal industry players. Public participation and the incorporation of verbal and written input in the transformation policy will assist in increasing stakeholder participation. The capacity assessment of the associated staff and regulation management with specific reporting of legislation contraventions will assist in increasing stakeholder engagement. This will make a significant contribution to taking important decisions without facing any kind of obstructions. The challenges, as noted in the literature review, have been in training and development of officials that were given the responsibility of monitoring licensing and compliance. Such findings have also been noted in the opinion of interview respondents who stated the need for stricter compliance by owners with the license conditions of the industry and exemptions that need to be waived.

“...there were issues that were sighted by the stakeholders, such as that of threats to take the KZNGBB to court because of failure to follow relevant procedures prior to implementing the policy.”

Strategies and assistance for the improvement of transformational policies implementation

The interviews reflected on different perceptions about the tactics and procedures that will assist with the improvement of different transformation policies in the gaming and betting industry of KZN. The policies can be improved by interrogating the quarterly reports of the KZNGB Board. Increasing intervention studies, with specific research conducted in the

industry should be considered in order to improve the condition of the transformation policies. Consideration should also be given to developing an enquiry committee that will integrate all office related work and strategies. There have been conflicting arguments related to capacity and it has been found that despite having the desired level of capacity there are challenges in the system. The process of grading licences and aspects of non-compliances have hindered the strategy implementation. Other measures that should be taken into consideration include the MEC's report on the planned programme for the active implementation of transformation in the industry. Compliance management considered with submission to the programme through oversight and other related measures should be applicable. KZNGBB aims to utilise the provincial budget, but changes and agendas have caused repercussions, as understood from the literature review. Other measures to be adopted include the transparent measures of control and assessment of ownership necessary to manage the policy interpretation. This will assist in increasing the support of Black empowerment and regulating the entire gaming and betting industry. Guidelines must be designed according to external specifications for managing the board, and related policies for transformation.

THEME 3: Institutional Arrangements, and Monitoring and Evaluation

Legislations, politics and power and its impact on stakeholder implementation of transformational strategy

Changes in the monitoring aspects and power and politics have impacted the monitoring and evaluation of the transformational strategy that is implemented. Oversight shifted from the office of the Premier to the KZN Economic Development Department, withdrawing the mandate from different political structures. However, different issues need to be considered for transformation with coordination of different inputs. There is a high financial investment in the industry and no bigger mandate was initially present. The big industry players are involved in the process of selecting members and there is a need for suitable candidate selection as part of the policy. It is necessary to mitigate the challenges of misusing the power that is in the hands of the large players. There is alignment in the findings of literature and the findings showing that there are different procedural evaluations undertaken for strategic management and control of the policies. The findings reveal inclusion of the marginalised section, with assessment of better opportunities. It has also been noted in the

literature review that there is a need for maintaining uniformity in the implementation of the policies and legal mandates in the industry.

“The KZNGBB needs to take its licensees into consideration when formulating policies that will directly affect them.”

The findings of the literature review have noted the need for an improved inclusion strategy to break the monopoly of ownership in the industry, as also noted by respondents in the interviews. The policies in the province draw the mandates from the country’s broader vision that is applicable in the province. The constitution, law, and the functions of different government bodies have an impact on making transformative changes in the entire process. This ensures the development drafted policies that will protect the interest of each shareholder with the regulation of the legislature.

Investigating KZNGB adequacy of financial and institutional capacity to monitor and evaluate the implementation of the transformation policy in the gambling industry

The specific monitoring of the overall policy prescription and transformation is necessary, and the KZNGB Board needs to make a significant investment with utilisation and assessment of capacity to bring in the new changes. The registration and licensing unit of the KZNGB Board has to be monitored in accordance with the B-BBEE Act to implicate the new changes that will ensure transparency in ownership. There is a requirement of additional budgets with the support from the MEC of the department of KZN Economic Development. Capacity is not the predominant issue, but it lies in the appropriate structuring that helps in taking important decisions regarding the transformation policies, the understating of the industry, and the underlying changes required to bring in positive outcomes. Necessary changes in the policy of transformation, with the empowerment of the Board are required through the identification of important aspects. There is institutional and financial capacity but their underlying challenges have been procedural, opposing the overall process of implementing the policy effectively. The provincial government allocates a minimal amount of money to the board and the different methods used for addressing the budget-related constraints have been hindered through the adopted austerity measures. Motivation and evaluation at each level of functioning are necessary to increase capacity and manage important activities related to the transformation policy. The literary sources

have revealed that continuous improvement and changes in the policy will be effective. This will be possible with capacity management helping in the transformation. The findings from different sources have supported that such industry sectors also witness the monopoly of the big industry owners and limited access by the Black community in the province. The dominant presence of casinos, Limited Pay-out Machines, and Totalizers in the urban cities of the province reflected on the geographical categorization of the industry. This also adds to the disadvantaged position of the people who do not have access or resources to such provisions. The findings are thus aligned with the research problem statement that noted that in KwaZulu-Natal province the lack of transformation in the gaming and betting industry had advocated the prioritisation of public policy.

5.3 CONCLUSION

To conclude, the chapter analysed the data that was gathered through interviews with different stakeholders in the gaming and betting industry by illustrating similarities or differences to the literature provided using the appropriate themes. Deliberation on an integrated approach is a key requirement to attaining meaningful transformation in the KZN gaming and betting industry. It is imperative that key stakeholders collaborate in good spirit and deliberate on the intended vision, objectives, and implementation strategies to ensure that they drive meaningful, transparent and responsible transformation within the industry.

CHAPTER 6 - CONCLUSION AND RECOMMENDATIONS

6.1 CONCLUSION

In conclusion, it must be noted that the study attempted to reflect on the challenges that have been faced by the KZNGBB in the implementation of the transformation policy. The study was divided into six key chapters and the concluding chapter reflects on the insights revealed through the literature review and the findings from the in-depth interviews conducted with the respondents.

To conclude, the overall findings gathered from the interview conducted and the literature review suggest the need for the transformation policies to address the concerns of the inclusion of the PDIs for better opportunities so that they can support better economic development. There has been a focus on the PDIs and the need for the extension of opportunities to them, as seen in the literature review, while the interview findings focused more on the need for increased inclusion of the Black community in the ownership in the industry. The findings from literature reviews stated that the National Gambling Act (1996) and the National Lotteries Act (1997) are key regulations in the industry and provide guidelines for maintaining uniformity in the application of the rules and regulations. They help to enhance the implementation of transformation policies. Findings from the interview, in this context added that the National Gambling Board works as a regulatory board attempting to revamp the Department of Trade and Industry so that gambling can be supported with better administrative frameworks. It can be concluded from an assessment of the information gathered from different literature sources reviewed, and from the information gathered from the respondent's opinion, that there is a need for administrative frameworks and regulations to address the self-regulation in the industry, specifically the horse racing industry where there are limited policy regulations. It has been concluded from the opinion of some respondents that the political environment supports the need for more empowerment to be given to the Black community and PDIs in KZNGBB in South Africa without any discriminatory practices. It is in this context that the literature review has addressed the role and intervention of the government to assess the role of the Social Equity Committee to ensure an adequate focus on the disadvantaged community in society to have greater access to the industry. The findings from the interview have further revealed that the key limitation faced in the implementation of the legislation is the restricted access of the

Black owners in the industry and the monopoly in ownership. The political environment in the industry has been assessed by different officials to reveal that revenue generation can be enhanced through the empowerment of the historically disadvantaged individuals. Moreover, the transformation policy and the challenges faced in its implementation have been related to a monopoly in the industry that also suggests disparity in the socio-economic industry.

It had been mentioned in the research problem that there is need for investigating the importance of transformational policies and its challenges in implementation due to the role and contribution of the gaming and betting industry to the revenue generation of the KZN Province. It is in this context that the role of the gaming and betting industry has been investigated in the literature review and interviews conducted for data collection. The KZNGBB Annual Report for the term 2015-2016 indicated that the province generated R569 874 million in tax revenue. Thus, it can be concluded the transformation policies need to be implemented for providing support to the industry for further socio-economic development. Hence, addressing the research problem regarding the need for improvement in the implementation of the transformation policies, it has been established that there is need to drive better fiscal earnings and to promote better socio-economic development. Additionally, there is a need for supporting better policies to be implemented in South Africa.

The KwaZulu-Natal Treasury can be given better opportunities through transformational policies and mandates for improvisation in the ownership structure in the gambling industry. Addressing the research problem of issues in the implementation of the research policies, data collected from the interview has stated that legislations and strictness in the application of the legislation need to be addressed for minimising the discrimination in the industry and the disadvantageous position of the PDIs and Black community. The focus of the study on legislations for the lack of transformation in the gaming and betting industry has been noted in the research problem. The investigation regarding the legislations and its implementation, have been concluded from the findings from the literature review. The findings have revealed that the B-BBEE Act; Labour Relations Act and Basic Conditions of Employment Act have been passed in KZNGBB in South Africa for addressing discrimination in the ownership. However, the transformational policies and its implementation have been challenged as the legislation has not been implemented adequately, as noted in the literature review and

confirmed by the responses of some of the respondents. The comparison of the gaming and betting industry with other countries in the literature review had been done to reflect on whether the issues prevalent in KZN province are specific to the province or whether they resonate in the gambling industry as a whole. This has been done to widen the area of study for better investigation of the research problem of the challenges faced in the transformational policies and its implementation in the industry. Resultantly, the data gathered from the literature review had helped to address this area of study to reveal that as noted in Australia, Britain, Canada, without effective legislation there is ambiguity in the control system for the gambling industry. This kind of ambiguity has primarily been present in the Internet gambling industry, specifically in Australia and Canada. There is a monopoly in the ownership of the gambling and betting industries. However, the issues with the lack of ownership of the Black people and PDIs are more prevalent in the gaming and betting industry in KZN province.

To ensure that the KZN province in South Africa successfully implements the regulatory frameworks and policy guidelines, better direction is needed. It has been concluded from the interview and literature findings that the primary legal framework in the gaming and betting industry have been related to gambling regulations mentioned in the constitutional frameworks in South Africa and other Asia Pacific nations. The Constitution of the country guarantees the right of every individual to decide their occupation freely. Hence, the profitability and opportunities in the gaming and betting industry have led to a huge section of the population in the country being attracted to the betting industry. Considering the constitution of the countries have guaranteed the constitutional right of people to choose their profession and that the gambling industry adds to the revenue generation of nations, the Constitution guarantees different Acts to support the industry and regulate its operations. In the KwaZulu-Natal province in South Africa, the literature review and information gathered from the interviews with the respondents revealed that there are different regulations passed, such as ***National Gambling Act; Broad-Based Black Economic Empowerment Act; KZN Gaming and Betting Act*** to address legal regulations to be implemented for regulating activities in the industry. However, there is a need for stricter implementation of the policies.

The findings from the interviews have revealed the transformation efforts and the gaps in the efforts due to the socio-economic conditions. Transformation in the industry was noted as a great concern as it had not been able to address the concerns of social equity. It can be concluded from the findings from the interview that there is also a lack of effective skills among the officials invested with the responsibility of implementing the policies. This has been aligned with findings from the literature sources that stated that there are cases of inadequate investments in the industry that led to challenges in the transformation policies and frameworks. The literature review further broadened the scope of the understanding of the challenges in the betting industry in KwaZulu Natal Province by pointing to a resemblance with the gaming industry in different nations. Such countries also lack the presence of a supportive environment to support the successful implementation of transformation policies. Furthermore, EU nations have faced a struggle regarding the transformation policies in countries, as consistency has not been maintained in the inter-jurisdictional processes required for the successful implementation of regulatory frameworks. Hence, it is concluded from literature sources and interview findings that for effective control of the gambling industry in the KwaZulu-Natal province and other parts of the world, there is a need for consistency to be maintained in jurisdiction processes.

In terms of the challenges in the transformation of the betting and gambling industry, the study was limited to an understanding of the monopoly in betting grounds and casinos. However, there is a lack of regulation for the monitoring of the participation of individuals in the betting industry. This has been concluded as a regulatory challenge in the implementation of transformation policies. In most nations, apart from South Africa, there has been a supportive political environment for the gaming and betting industry, yet the pace of implementation of these frameworks have been restricted in other countries and not only in South Africa.

Significantly, addressing the research problem, literature sources have been used to investigate regulatory frameworks found in countries such as Australia, Britain, and the Netherlands, and to conclude the findings from the literature review, there have also been compliance-related issues noted in such countries. As the betting industry has been an important component in the economic development of the industry, there would be a need for appropriate scrutiny in the industry and increased focus on previously disadvantaged individuals. Furthermore, in other countries, as literature findings suggested, apart from the

casinos in the betting industry, there is also a need for better legal formulations to regulate the operations in the horseracing industry such as has been noted in Australia, Canada and UK. Hence, the concerns in South Africa and other countries is not just with the betting and gambling industry, but also with the participation of individuals in the industry and the activities of the horse racing industry. There had been issue noted in the mentioned countries regarding the deregulation of the gambling industry that had led the casinos, and specifically the internet casinos to operate without any concerns for the public safety and without strict regulations. This high level of deregulation has led to concerns of casinos not adhering to their legal obligations towards the society and public. The KwaZulu-Natal Province in South Africa and other countries such as Australia, Canada, and the UK have some regions that do not have well developed legal obligations and industry integration. It has been noted that in many countries, people engage in gambling activities for recreation. The findings from the literature review have concluded that although such recreational gambling activities contribute to the national output of the nations, there are no fixed regulations for recreational gambling activities. The interview findings can also be used to conclude that there is a lack of consistency and lack of control over recreational gambling and internet gambling activities. Hence, to conclude there is a need for equity participation in gambling participation to ensure that there is an equal distribution of ownership rights among the PDIs and the Black community in the industry. Moreover, for enhancing the business opportunities in the industry there would be a need for entrepreneur initiatives, supported by improved legislation in the industry. Finally, from the findings of the interview and data gathered from literature sources, the development of commercial expertise will also result in addressing the disparate legislation implementation challenges. It would require better support from the government, stakeholders, and the officials to be involved in policy integrations.

6.2 RECOMMENDATIONS

Based on the conclusion from the findings of the literature review and interview, the following changes are suggested for improving and facilitating the smooth implementation of the transformation policies:

Based on the gaps in the betting industry identified in the literature review and interview findings, there is a need to provide improved training opportunities for the officials involved

in the implementation and enforcement of the regulations and legislation, both in the KZNGB Board (as the regulator) and the Legislature (for effective monitoring). This has been derived from a focused institutional arrangements and monitoring the overall policies. There is also a need for skills development of officials, and better incentives for better engagement in supervising the implementation of the legislation.

There is a need for new legislation to support the engagement of the Black community in the gaming and betting industry, as identified in the findings of the literature review and interview. The recommendation is derived from the theme governance and legislative framework implicating development of new legislative policies. This can be through capping the limits of ownership in the industry and through providing legislative support to Black community owners in the industry. For this to be realised there would be a need for the strict implementation of the B-BBEE Act in the KwaZulu-Natal Province in South Africa. Hence, an independent board can be formulated for addressing the strict implementation of the B-BBEE Act and other Acts.

There is also need for the Government to undertake more active participation in the arrangement of the empowerment fund that will assist with transformational changes allowing PDIs to buy into the gaming and betting industry, and to be trained accordingly on issues of ownership in the industry. This recommendation is derived from the participation and management of all the stakeholders involved in the process. This needs to be spread across the country and not just in the KwaZulu-Natal Province. It should not be limited to South Africa, but also spread to other countries, such as Australia, Canada, European Nations, and the UK. There would also be a need for the arrangement of new provisions in the Acts and regulations addressing the new political and economic trends, such as Brexit, that might impact the gambling and gaming and betting industry.

There is a need to amend Legislation as follows:

The Powers, Privileges and Immunities Act of Parliament and Provincial Legislature Act of 2004, to provide more powers to Portfolio Committees to be able to impose punitive measures to departments and responsible entities on areas where there is no implementation of policies and non-performance.

The KZN Gaming and Betting Act to provide a more meaningful impact and direction on compliance with transformation and strict adherence to licensing conditions by the gambling and gaming and betting industry Licensees and Regulators.

Ensuring uniformity of the National Gambling Act, and the Provincial Gambling Boards, in terms of implementing transformation, since the major license holders in the industry have business interests in other Provinces as well.

6.3 POSSIBLE LIMITATIONS OF THE STUDY

The key limitation noted in the study is that it focused solely on the gambling and betting industry in the KwaZulu-Natal Province in South Africa. Only 13 participants were selected for the in-depth interviews, restricting the scope of the study. There has been a linear understanding of the gambling and betting activities without comparison with the gambling and betting activities in other provinces in South Africa. A further limitation is that the primary focus was on the gambling and betting activities, with less focus placed on horseracing activities and online casinos that lack the desired control and supervision from the regulatory bodies. The study had thus been limited to the areas of the study investigated and hence the study had not been multidimensional. This has limited the scope of the study, although it has made the study specific.

6.4 CONSIDERATIONS FOR FURTHER RESEARCH

Future studies need to be directed towards the gaps and limitations in the study as noted above. Hence, in future studies, there is a need for the study of horseracing activities, online casinos, and the impact of ineffective legislations on the two areas of the gambling industry. There is a need for extensive studies to be conducted on legislation and regulations related to horse racing activities and online casinos. The gaps noted in the regulations also need to be studied in future. Future studies need to be directed towards the study of legislation and regulations in other countries in which gambling has been prohibited, for a comparative study. There is a need for future studies to be directed towards the limitations faced by the Black community internally in their community that limits their participation in gambling activities, horseracing activities, online casinos and other related activities. The socio-economic limitation in their community needs to be investigated in detail. Such an

investigation would lead to a broader picture of the gambling industry and the challenges of the implementation of transformation policies.

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Appendix A

Interview Schedule A: Questions for the KZN Gaming and Betting Board

“Challenges in implementing the transformation policy in the KwaZulu-Natal gaming and Betting industry”

Dear Participant, thank you for taking the time to participate in this survey on the political and power dynamics in the implementation of the KwaZulu-Natal gaming and betting industry’s transformation policy.

This is a qualitative in depth personal interview that should take about 45 minutes of your time. For further enquiries, kindly contact Ms Nokwazi Ngidi on nuster@live.co.za or on 060 533 1974.

Thank you for you participation.

- What is the strategic objective or vision of the KZN Gaming and Betting Industry Transformation Policy?
- What are the challenges of the KZNGBB Industry Transformation Policy?
- How can KZNGB facilitate and enhance compliance with the transformation policy and legal framework?
- In what respects have the quests to get compliance with the transformation policy been thwarted, by whom, in what ways, and how consistently had this happened?
- In instances where obstruction of implementation has occurred, what have been the stated and/or the observed reasons for this behaviour by stakeholders in the KZNGBB industry?
- To what extent have considerations of politics and power impacted, or have they been seen to impact, on stakeholder implementation of the transformation policy?
- Does KZNGB have the necessary institutional and financial capacity to monitor and evaluate the implementation of the transformation policy in the gambling industry?
- What strategies may be applied in future to ensure that all stakeholders participate meaningfully in the transformation agenda?
- What further elaborations would you like to add regarding the implementation of the KZNGB’s transformation?

.....Thank you for your participation.....

Appendix B

Interview Schedule B: Questions for the KZN Economic Development Department

“Challenges in implementing the transformation policy in the KwaZulu-Natal gaming and Betting industry”

Dear Participant, thank you for taking the time to participate in this short survey on the challenges in implementing the transformation policy in the KwaZulu-Natal gaming and betting industry.

This is a questionnaire that should take about 45 minutes of your time. For further enquiries, kindly contact Ms Nokwazi Ngidi on nuster@live.co.za or on 060 533 1974.

Thank you for your participation.

- What is the role of KZN Economic Development on the KZN Gaming and Betting industry transformation policy?
- What are the challenges associated with the implementation of the KZNGBB industry transformation policy?
- How can Economic Development facilitate the compliance with the KZNGBB transformation policy and legal framework?
- In what respects have the quests by the KZNGBB to get compliance with the transformation been thwarted, by whom, in what ways, and how consistently had this happened?
- In instances where obstruction of implementation has occurred, what have been the stated and/or the observed reasons for this behaviour by stakeholders in the KZNGB industry?
- To what extent have considerations of politics and power impacted, or have they been seen to impact, on stakeholder implementation of the transformation policy?
- According to your view as the department responsible for the KZNGBB, does KZNGBB have the necessary institutional and financial capacity to monitor and evaluate the implementation of the transformation policy in the gambling industry?
- What strategies may be applied in future to ensure that all stakeholders participate meaningfully in the transformation agenda?
- What further elaborations would you like to add regarding the implementation of the KZNGB's transformation?

.....Thank you for your participation.....

Appendix C

Interview Schedule C: Questions for the KZN Legislature (Portfolio Committee)

“Challenges in implementing the transformation policy in the KwaZulu-Natal gaming and Betting industry”

Dear Participant, thank you for taking the time to participate in this survey on the political and power dynamics in the implementation of the KwaZulu-Natal gaming and betting industry’s transformation policy.

This is a qualitative in depth personal interview that should take about 45 minutes of your time. For further enquiries, kindly contact Ms Nokwazi Ngidi on nuster@live.co.za or on 060 533 1974.

Thank you for you participation.

- What is the role of the portfolio committee in the legislature on the KZN Gaming and Betting industry transformation policy?
- How does the politics and power dynamic impact on policy formulation and implementation of transformation policy in the KZNGBB industry?
- What steps are being taken by the portfolio committee, to ensure that the challenges associated with the implementation of the KZNGBB industry transformation policy are resolved?
- How can the portfolio committee facilitate the compliance with the KZNGBB transformation policy and legal framework?
- What are the regulatory guidelines with regards to punitive or compensatory recourse for non-implementation?
- What strategies may be applied to ensure that all stakeholders participate meaningful in the transformation agenda?
- Please provide the measures in place to ensure active implementation of the KZNGBB transformation policy?
- What further elaborations would you like to add regarding the implementation of the KZNGB’s transformation?

.....Thank you for your participation.....

Appendix D

Interview Schedule D: Questions for the KZNGBB Licensees

“Challenges in implementing the transformation policy in the KwaZulu-Natal gaming and Betting industry”

Dear Participant, thank you for taking the time to participate in this short survey on the implications of the political and power dynamics in the implementation of the KwaZulu-Natal gaming and betting industry's transformation policy.

This is a qualitative in depth personal interview that should take about 45 minutes of your time. For further enquiries, kindly contact Ms Nokwazi Ngidi on nuster@live.co.za or on 060 533 1974. Thank you for your participation.

- What is the role of the Licensees on the KZN Gaming and Betting industry transformation policy?
- In your view as the Licensee of the KZNGBB, what are the challenges associated with the implementation of the KZNGBB industry transformation policy?
- How can the Licensees assist to facilitate the compliance with the KZNGBB transformation policy and legal framework?
- In what respects have the quests by the KZNGBB to get compliance with the transformation been thwarted, by whom, in what ways, and how consistently had this happened?
- To what extent have considerations of politics and power impacted, or have they been seen to impact, on stakeholder implementation of the transformation policy?
- According to your view as the Licensee of the KZNGBB, does KZNGBB have the necessary institutional and financial capacity to monitor and evaluate the implementation of the transformation policy in the gambling industry?
- What strategies may be applied by the KZNGBB in future to ensure that all stakeholders participate meaningfully in the transformation agenda?
- What further elaborations would you like to add regarding the implementation of the KZNGB's transformation?

.....Thank you for your participation.....

Appendix E

Consent Form

Research Title: Challenges in implementing the transformation policy in the KwaZulu-Natal gaming and Betting industry

Consent to take part in research

I..... voluntarily agree to participate in this research study.

- I understand that even if I agree to participate now, I can withdraw at any time or refuse to answer any question without any consequences of any kind.
- I understand that I can withdraw permission to use data from my interview within two weeks after the interview, in which case the material will be deleted.
- I have had the purpose and nature of the study explained to me in writing and I have had the opportunity to ask questions about the study.
- I understand that I will not benefit directly from participating in this research.
- I agree to my interview being audio-recorded.
- I understand that all information I provide for this study will be treated confidentially.
- I understand that if I inform the researcher that myself or someone else is at risk of harm they may have to report this to the relevant authorities - they will discuss this with me first but may be required to report with or without my permission.
- I understand that signed consent forms and original audio recordings will be retained in the possession of the researcher until the thesis has been approved by University of Witwatersrand.
- I understand that under freedom of information legalisation I am entitled to access the information I have provided at any time while it is in storage as specified above.
- I understand that I am free to contact any of the people involved in the research to seek further clarification and information.

I believe the participant is giving informed consent to participate in this study

Signature of research participant

Signature of researcher

Date _____

Appendix F

Letter to participants

To whom it may concern

Dear Sir/Madam

Letter seeking approval to conduct interviews for the purpose of research.

My name is Nokwazi Ngidi, and I am currently an MMPP: Masters in Management (Public Policy) student at Wits University. The research I am conducting for my Masters is on *“the challenges in implementing the transformation policy in the KwaZulu-Natal Gaming and Betting industry”*. The project is conducted under the supervision of Prof. Ivor Sarakinsky of the Wits School of Governance.

I hereby request permission to administer a questionnaire with the identified stakeholders. The questionnaire is anticipated to take 45 minutes. Attached for your perusal and confirmation, is the approved title registration document for the study that I intend to conduct issued by Wits University. Kindly contact me at nuster@live.co.za should you wish for more clarity concerning the study.

Your cooperation in this matter is highly appreciated in advance.

Regards,

Miss Nokwazi Ngidi

Appendix G

THEMES FOR DATA ANALYSIS

	KZNGBB Board	KZN Economic Dev	KZN Legislature	KZN GBB Stakeholders
THEME 1	Governance and Legislative Framework			
	How does the KZNGB facilitate and enhance compliance with the transformation policy and legal framework?			
	In what respects have their quests to get compliance with the transformation been thwarted, by whom, in what ways, and how consistently had this happened?			
THEME 2	Stakeholder Management and Participation			
	In instances where obstruction of implementation has occurred, what have been the stated and/or the observed reasons for this behaviour by stakeholders in the KZNG industry?			
	What strategies may be applied in future to ensure that all stakeholders participate meaningfully in the transformation agenda?			
THEME 3	Institutional Arrangements, and Monitoring and Evaluation			
	To what extent have considerations of politics and power impacted, or have they been seen to impact, on stakeholder implementation of the transformation policy?			
	Does KZNGB have the necessary institutional and financial capacity to monitor and evaluate the implementation of the transformation policy in the gambling industry?			
	How does the politics and power dynamic impact on policy formulation and implementation of transformation policy in the KZNGBB industry?			