

GAMBLING IN THE CZECH REPUBLIC IN 2015

This issue contains a summary of the second annual report on gambling in the Czech Republic created by the National Monitoring Centre for Drugs and Addiction (the National Focal Point). The report presents information concerning gambling-specific regulation and policies, the gambling market, trends in gambling and pathological gambling, the social implications of gambling, and gambling-related crime, as well as the latest developments in the prevention and treatment of problem gambling.

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Summary of the Situation and New Trends

- Starting from 2017, a new legal framework for gambling will comprise a new law on gambling (Act. No. 186/2016 Coll.) and a new law on gambling tax (Act. No. 187/2016 Coll.). This will effectively open the market for operators from the European Economic Area, impose stricter regulation, and make it possible to operate the majority of gambling activities online. Starting from 2017 "technology-based games", i.e. those played on electronic gaming machines (EGMs), will be subjected to a 35% tax rate, while the remaining types of gambling will come under a 23% tax rate. While until 2015 the level of contributions (transfer payments) was 20% for all gambling activities, in 2016 it was raised to 28% for EGMs and 23% for all other games.
- The degree of regulation at the municipal level is increasing. In 2015 gambling was regulated by means of generally binding ordinances in 588 municipalities, with 322 of them (54.8%) banning EGMs on their territories. A recent phenomenon, which has been becoming a pressing issue since 2013, is the operation of illegal electronic gaming devices, such as "quiz machines" (*kvízomaty*) and "discount machines" (*slevostroje*). In particular, these unauthorised games began to emerge in response to the restrictions or bans on the operation of EGMs imposed by municipal ordinances.
- In 2015 CZK 152.2 billion was wagered, CZK 121.8 billion was paid out as prize money, and the gambling operators' income reached CZK 30.4 billion. In comparison with the previous year, the total amount of bets rose by 10%, while gambling income went down by 3%.
- Out of the total sum of money spent on bets in 2015, 59% was wagered on EGMs and 29% was spent on

fixed-odds betting, 7% on lotteries, and 5% on live casino gambling. The greatest income for the operators was generated by EGMs (60% of the total gambling income), fixed-odds betting (19%), and lotteries (18%).

- > In 2015 public budgets received CZK 8.08 billion worth of contributions (transfer payments) from gambling and gambling-related charges. Contributions from EGMs amounted to CZK 6.13 billion (76%). Out of the total of CZK 8.08 billion, CZK 2.59 billion (32%) was credited to the national budget, with the remaining CZK 5.49 billion being distributed among municipal budgets. In comparison with 2014, the sum contributed to public budgets from gambling increased by CZK 101 million (1.3%).
- > As of the end of 2015 electronic gaming machines and live games licensed by the Ministry of Finance were operated by 4,836 outlets, including 538 casinos. The number of gambling outlets declined by almost 19% in comparison with the previous year. In 2015 a total of 60,331 EGMs, including 10,108 slot machines licensed by municipalities and 2,254 casino-based games, were licensed. The number of EGMs has experienced a continuous decline since 2011, when it climaxed at almost 102,000. The number of EGMs and casino-based games decreased by approximately 10% from 2014 to 2015.
- > The number of people who have experience with gambling is growing. Surveys focusing on the level of gambling among the general population from 2012 to 2015 show an increase in the prevalence of the experience with gambling in the last 12 months. While reaching about 10% between 2012 and 2013, it almost doubled in the period 2014–2015. This increase is mainly due to the rise of online gambling and fixed-odds betting. The higher prevalence of gambling is particularly evident in men and across all the age categories; the rate of women who have experience with gambling is not growing so fast. A significant year-on-year increase was recorded, especially for young adults.
- > Lifetime experience with fixed-odds betting pursued in land-based betting shops was reported by 28.2% and EGM gambling or casino gambling and online gambling had been engaged in at some point in their lifetime by 22.3% and 14.3% of the adult respondents, respectively. The same applied to 16.3%, 5.9%, and 8.2% of the respondents, respectively, with regard to the last-12-month time frame and 6.9%, 1.7%, and 2.9% of the respondents, respectively, as far as the last-30-day recall period was concerned. Apart from lotteries (which were not under scrutiny in 2015), men were most likely to report experience with fixed-odds betting, while women reported the same rate of experience with fixed-odds betting as with gambling in gambling venues and casinos. Men reported four times higher levels of gambling than women in the last 12 months and six times higher levels of gambling in the last 30 days. Gambling in the last 12 months was reported most frequently by those respondents falling into the 15–34 age group. Fixed-odds betting, followed by online gambling, was the most prevalent gambling activity in all the age groups.
- > Another wave of the ESPAD survey among 16-year-old students was carried out in 2015. Out of the sample comprising a total of 2,738 respondents, gambling for money in the last 12 months was reported by 9.1% of them (15.3% of the boys and 3.1% of the girls), including 3.0% (4.9% of the boys and 0.9% of the girls) who reported gambling for money twice a week or more frequently. The students predominantly gambled online; the most common money gambling activity they reported having played on the internet was cards or dice, followed by fixed-odds betting on sports and lotteries, with both reaching the same levels. Higher levels of gambling were reported by the boys. Gambling for money in the last 12 months was reported most frequently by students at secondary vocational schools without the school-leaving examination (maturita) or apprentice training centres (13.4%), followed by ninth-graders (9.1%). Grammar school students showed the lowest levels of gambling (4.2%).
- > Estimates of the numbers of problem or pathological gamblers among the adult population are not available for 2015. The results available up to 2014 suggest that approximately 5% of the adult population (ca. 450,000) are at risk of the development of problem gambling, with 1.5–2.3% of adult individuals (130,000 to 200,000) falling within the range of problem gambling, about half of whom are pathological gamblers (0.6–1.2% of the adult population, i.e. approx. 55,000–110,000 people).
- > A sample in a study of pathological gamblers in treatment comprised a total of 259 respondents, 81% of them being men, aged on average 35.2 (men 35.6 and women 33.2). The average age at which they had their first experience of gambling was approximately 20 years and their age when they had their first instance of engaging in a problem gambling activity was close to 23 years. They became regular gamblers at the age of 25, and they first realised that they had a gambling problem at 29.
- > In comparison with the study from 2013, the structure of pathological gamblers in treatment changed. The proportion of EGM players dropped from 82.5% to 67.2%, while the proportion of online gamblers rose from 9.7% to 13.5% and that of fixed-odds betters from 3.9% to 9.3%. Online gamblers spent more days and hours per day gambling than players engaging in other types of gambling activities. They also reported higher average debts than players participating in card games or fixed-odds betting. The debt incurred by gamblers in treatment was CZK 600,000 on average.
- > Half of the gamblers in treatment reported that they had always or often used alcohol while playing, with almost a quarter reporting methamphetamine use. Only 16.6% of the respondents showed good mental health, with no major signs of depression and anxiety in the last 30 days prior to treatment; two thirds were likely to be suffering from anxiety-depressive disorder. Almost two thirds had experienced suicidal thoughts at some point in their lifetime and nearly 30% had attempted suicide, half of those repeatedly. 46% of the pathological gamblers in treatment had committed a theft at some point in their lifetime, 36% fraud, 33% embezzlement, 19% drug offences, and 9% robbery.
- > The level of implementation of preventive measures aimed at preventing the development of problem gambling is low. The study of pathological gamblers in treatment suggests that only 15% of players had been offered the chance to reduce their gambling by setting limits on their gambling at any point in their lifetime, and the same proportion had

had the chance to self-exclude themselves completely from gambling. The organisation *Společnost Podané ruce* launched a course in the prevention of problem gambling among children and adolescents (Hra na hraně) and a programme for gambling industry professionals focused on the early identification of problem gambling and intervention in customers of gambling establishments.

- > The level of uptake of treatment on the part of problem gamblers is low. Care is generally provided by addictological and psychiatric counselling and treatment facilities, both residential and outpatient. On a yearly basis, 1,300–1,400 patients receive treatment in outpatient psychiatric clinics and 500–550 hospitalisations are reported. Programmes subsidised by the Government Council for Drug Policy Coordination reported over 700 clients who were problem gamblers in 2015.
- > According to the available data, in the Czech Republic there are 10–20 facilities that specialise in treatment services for problem gamblers, with their number seeing no major changes in recent years. Access to specialised care is particularly low in the areas of Western and Northern Bohemia. Since 2013 programmes providing services for pathological gamblers have been supported as part of the subsidy scheme of the Government Council for Drug Policy Coordination. ✕

preventing the development of problem gambling and its early identification, increasing the availability of relevant helping services and the level of problem gamblers' contacts with such services, ensuring the strict enforcement of regulatory measures, curtailing the illicit market, and pursuing a comprehensive gambling policy, including funding and regular monitoring.

Act No. 202/1990 Coll., on lotteries and similar games ("the Lotteries Act"), will be effective in the Czech Republic until the end of 2016. Starting from 1 January 2017 the legal framework for gambling will experience dramatic changes (see New gambling legislation).

Municipalities can regulate the availability of certain types of gambling (EGMs, bingo, and live casino games, including table card games) on their respective territories by means of generally binding ordinances ("municipal ordinances"). They can either ban certain types of gambling completely on their territories or regulate the time and place of such gambling activities being operated. A number of municipal ordinances also regulate other aspects of gambling operations, such as illuminated advertising on gambling venues or the possibility of seeing the inside of the gambling establishment from the outside.

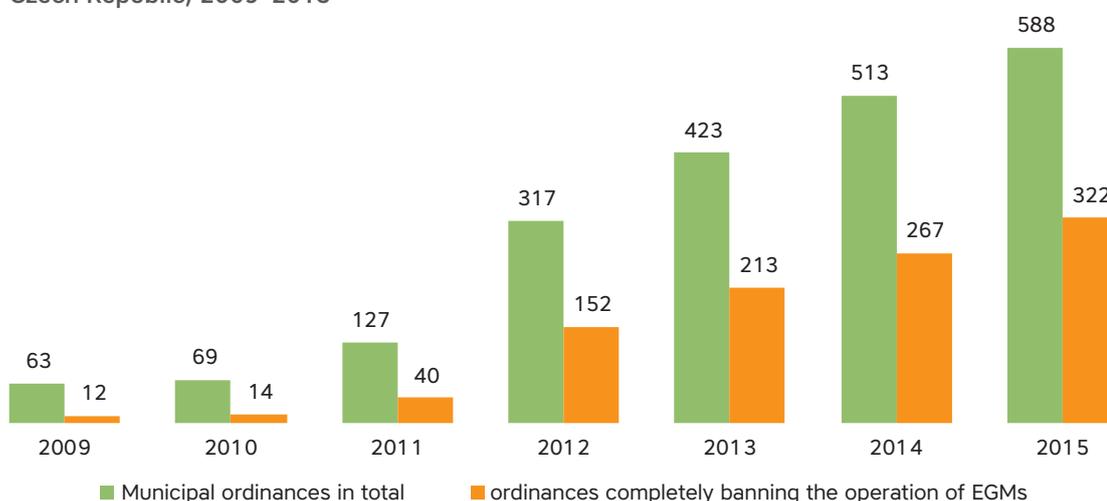
The number of municipalities that have issued ordinances to regulate the supply of gambling opportunities keeps growing. As of 31 December 2015 ordinances to regulate gambling were in effect in a total of 588 municipalities. In comparison to the situation as of 31 December 2014, this means an increase by 75 municipalities, i.e. by 15%. In particular, there is an increase in the number of municipalities which have imposed a complete ban on the operation of EGMs on their territories. While in 2009 such ordinances were adopted in about one fifth (19%) of all the municipalities with gambling-specific ordinances in place, in 2011 they accounted for almost one third (31%) of them, and by 2015 prohibitory ordinances had been introduced by more than half (55 %) of the municipalities (Graph 1). The regional capitals that have introduced a general ban on the operation of electronic gaming machines within their limits include Brno, České Budějovice, and Jihlava. Municipalities that restrict the

Gambling Regulation and Policy

> Since 2014 the issue of gambling has been incorporated into the 2010–2018 National Drug Policy Strategy. The Gambling Action Plan for the Period 2015–2018 was approved by the Government in November 2015 as a tool to facilitate the implementation of the Strategy. The priorities of the Action Plan are aimed at raising public awareness of gambling,

GRAPH 1

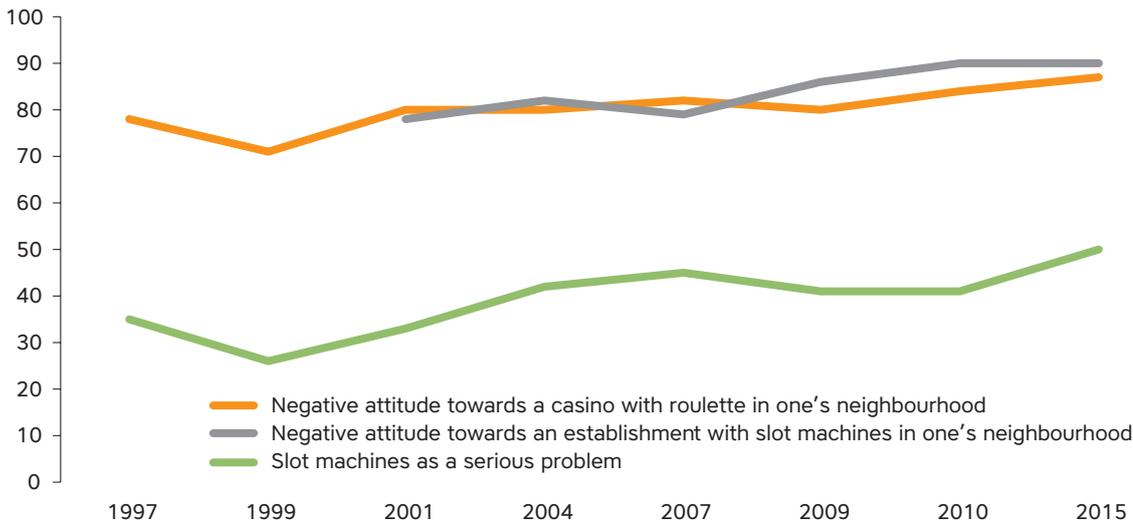
Development of the number of municipalities with ordinances to regulate the operation of gambling, Czech Republic, 2009–2015



Note: As it is difficult to keep accurate records of the nature of municipal ordinances, this data should be regarded as estimates.

GRAPH 2

Development of gambling-related indicators in the Prague Perceived Safety Analysis 1997–2015 survey (%)



New gambling legislation

Introducing new measures to regulate both land-based and online gambling operations, the new Act No. 186/2016 Coll. on gambling:

- > limits the types of gambling premises to gambling venues and casinos, as a result of which so-called “special arrangements establishments” (such as restaurants and petrol stations) will no longer be allowed to operate electronic gaming machines;
 - > lays down a number of measures to prevent problem gambling. Gambling venues will have to be closed from 3 a.m. to 10 a.m. After 120 minutes of EGM gambling, a person is required to take a 15-minute break;
 - > determines the maximum amount of money bet during a single machine-based gambling session as CZK 100 in a gambling venue and CZK 1,000 in a casino, the maximum prize money from a single session as CZK 50,000 in a gambling venue and CZK 500,000 in a casino, and the maximum hourly loss as CZK 45,000 and 450,000 in a gambling venue and casino, respectively. Online EGM gambling is subjected to the same limits as casinos are. Information about gambling-related harm, the time a person has spent gambling, and the total number of net losses after the user's account has been activated must be displayed for each EGM gambling activity;
 - > introduces the mandatory registration of players engaging in EGM gambling, fixed-odds betting, and online gambling. For a number of gambling activities operators will have to make self-commitment measures available – these will concern limits on the amounts of bets and losses in fixed-odds betting, the amounts of money lost and the number of visits with bingo and live games, and the amounts of bets, amounts of money lost, the number of log-ons and the time period spent on one's user account, and the time period which must elapse before a new gambling session can start after a person has logged out as regards EGM and online gambling;
 - > allows gamblers to be voluntarily fully excluded from gambling in a gambling venue or casino or online. The law prevents individuals on subsistence allowances and those subjected to bankruptcy proceedings from gambling. Excluded individuals will be listed in a register maintained by the Ministry of Finance;
 - > introduces a new system for authorising technology-based games operated using electronic gaming machines, live games (i.e. casino games), and bingo. The primary authorisation for the operation of technology-based games is granted by the Ministry of Finance, while municipalities issue secondary authorisations for gambling venues and casinos. The remaining gambling activities are subjected to the previous process of authorisation;
 - > appoints the Ministry of Finance and, as an innovation, customs offices as supervisory authorities;
 - > allows the websites of unauthorised online games to be blocked, thus preventing payments from being transferred to operators' accounts.
- A new piece of legislation, Act No. 187/2016 Coll., on the taxation of gambling, changes the previous tax rates and the system of distribution of the tax revenues. Specifically, it introduces:
- > two tax rates – 35% for EGMs and 23% for other types of gambling;
 - > the distribution of tax revenues to the effect that 35% is intended for the national budget and 65% for municipal budgets as regards EGMs, while 70% and 30% go to the national budget and municipal budgets, respectively, as far as other gambling activities are concerned.

availability of EGMs become increasingly faced with the illicit operation of such gambling activities using the form of “quiz machines” and “discount machines” or illicit gambling establishments pretending to be operating as clubs.

The public is not in favour of the existence of gambling venues and casinos in municipalities. Organised by the Prague City Hall in association with the Ipsos agency, a survey of Prague citizens’ and tourists’ opinions about crime and safety in the

Czech capital indicated that there is a growing number of people with negative attitudes towards the existence of establishments offering gambling opportunities in their neighbourhood. In 2015 50% of the respondents viewed “slot machines” as a serious problem (including 27% who considered the problem to be definitely serious) and 90% and 87% of the respondents would mind a gambling venue and a casino with roulette, respectively, in their neighbourhood (Graph 2). ✕

Gambling Market

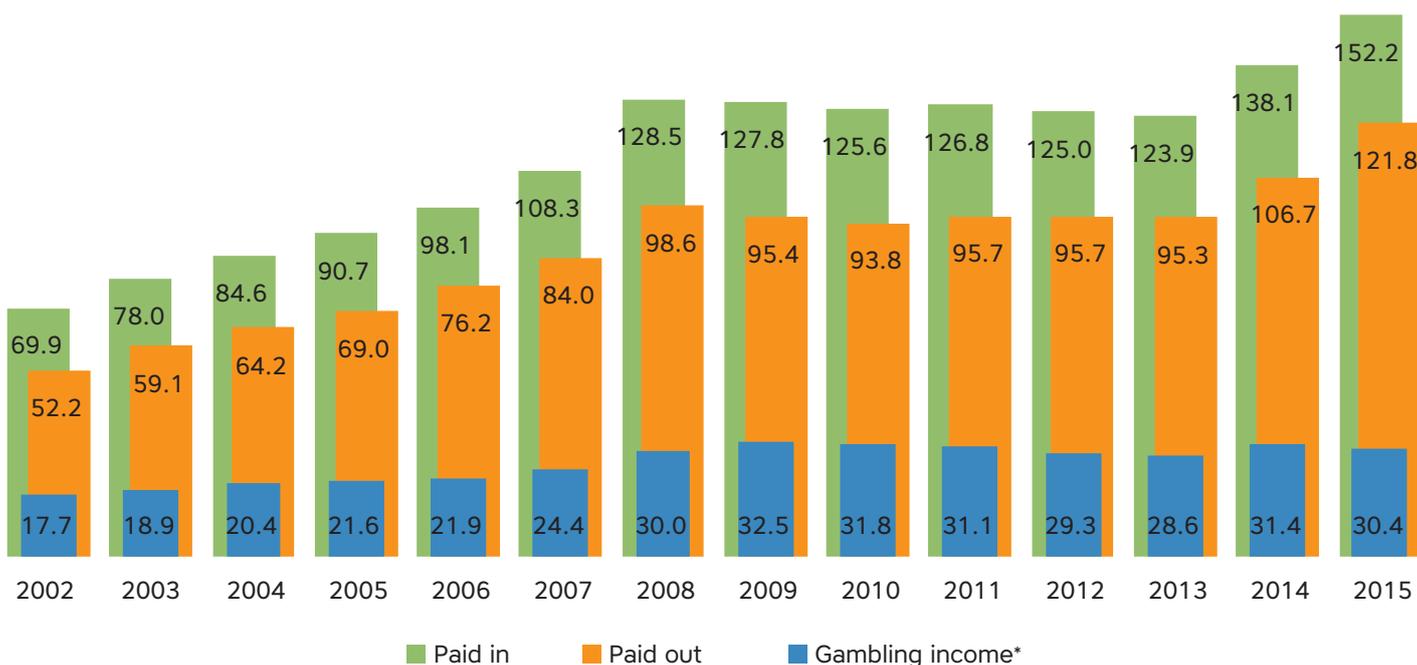
> In 2015 the money wagered on gambling (bets) in the Czech Republic amounted to a total of CZK 152.2 billion, CZK 121.8 billion was paid out as prize money, and the income of gambling operators (the sum total of money lost by players on gambling) reached CZK 30.4 billion. Since 2013 the amount of money gambled has been growing, by 10.2% from 2014 to 2015. The income from gambling saw a 3.2% year-on-year decline in 2015 (Graph 3).

The structure of the gambling market is changing. The examination of the volume of the market in terms of the amounts of wagers shows a marked increase in fixed-odds betting, especially online, since 2008. While in 2008 fixed-odds betting accounted for 9.3% of the market, it represented 28.8% in 2015, including 25.0% attributed to online fixed-odds betting. Since 2011 electronic gaming machines have appeared to be losing their predominance on the market: their 77.1% share in 2011 dropped to 59.0% in 2015. From 2014 to 2015, however, there was a major increase in the market share of slot machines: having followed a long-term downward trend

since 2002 (a decline from 58.9% in 2002 to 11.3% in 2014), it almost doubled in 2015 (reaching 21.1%). Since 2002 the share of live casino games has continued to decline (from 14.4% in 2002 to 4.9% in 2015). Dropping by two thirds between 2002 and 2011 (from 9.7% to 3.1%), the share of lotteries reached the level of 7.3% in 2015 (Graph 4).

From 2012 to 2015 contributions (tax) from gambling were set at a flat rate of 20%. In addition, a daily tax of CZK 55.00 was due for each EGM. The gambling tax revenue was divided into 25% intended for the national budget and 75% for municipal budgets as regards playing on electronic gaming machines and into 70% for the national budget and 30% for municipal budgets as far as other gambling activities were concerned. Between 2013 and 2015 the income for public budgets hovered around CZK 8 billion, with revenues from EGMs exceeding CZK 6 billion in all three years. In 2015 public budgets received almost CZK 8.08 billion worth of contributions from gambling, of which contributions from EGMs amounted to over CZK 6.1 billion (76%). Out of the total of

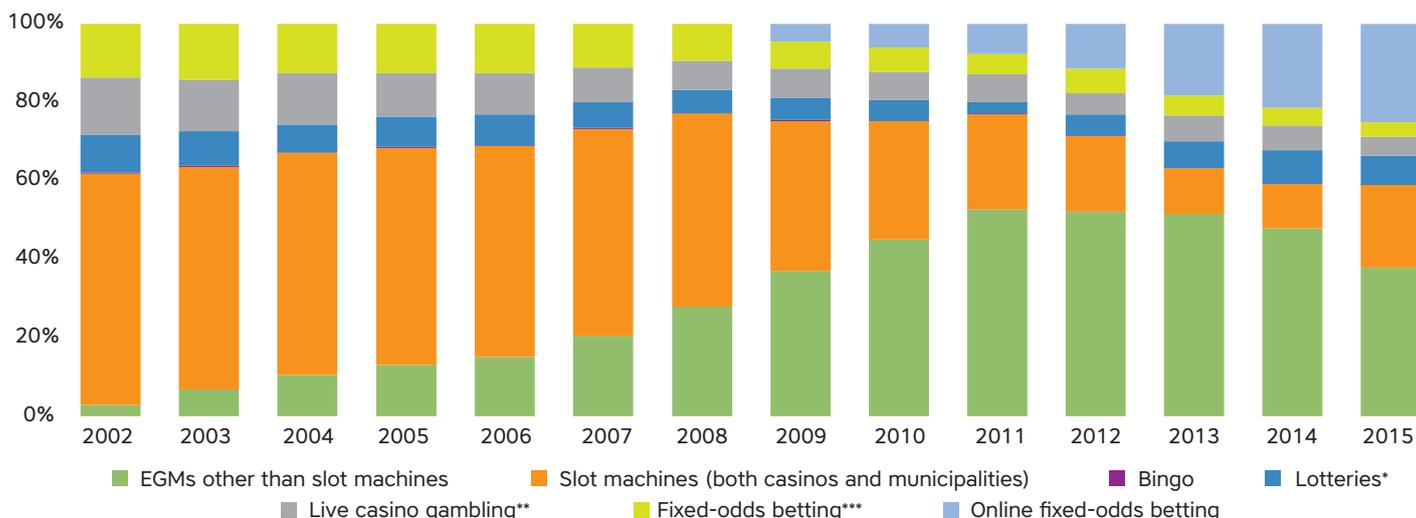
GRAPH 3
Volume of the gambling market in the Czech Republic, 2002–2015 (CZK billion)



Note: * Gambling income equals the difference between the amounts “paid in” and “paid out”.

GRAPH 4

Development of market shares of different gambling activities according to the amount of money gambled, 2002–2015



Note: * including lotteries with monetary or tangible prizes, raffles, numerical lotteries, and instant lotteries, ** including live casino-based gambling and card tournaments, *** including fixed-odds, horse-race, and pool betting

CZK 8.08 billion, CZK 2.59 billion (32%) was allocated to the national budget and CZK 5.49 billion (68%) went to municipal budgets (89% of the revenues from gambling earmarked for municipalities originated from EGMs) in 2015 (Table 1).

As of the end of 2015 a total of 60,331 electronic gaming machines were authorised in the Czech Republic, of which 50,223 were licensed by the Ministry of Finance and 10,108 by municipalities. There were 2,254 casino-based games with authorisation. The number of EGMs has been declining since 2011, when it climaxed at almost 102,000 machines. From 2014 to 2015 the total number of EGMs and casino games dropped by 7,154 (10.3%) (Graph 5). As of 31 December 2015 the largest number of authorised EGMs per 10,000 inhabitants was in the Karlovy Vary (101.6)

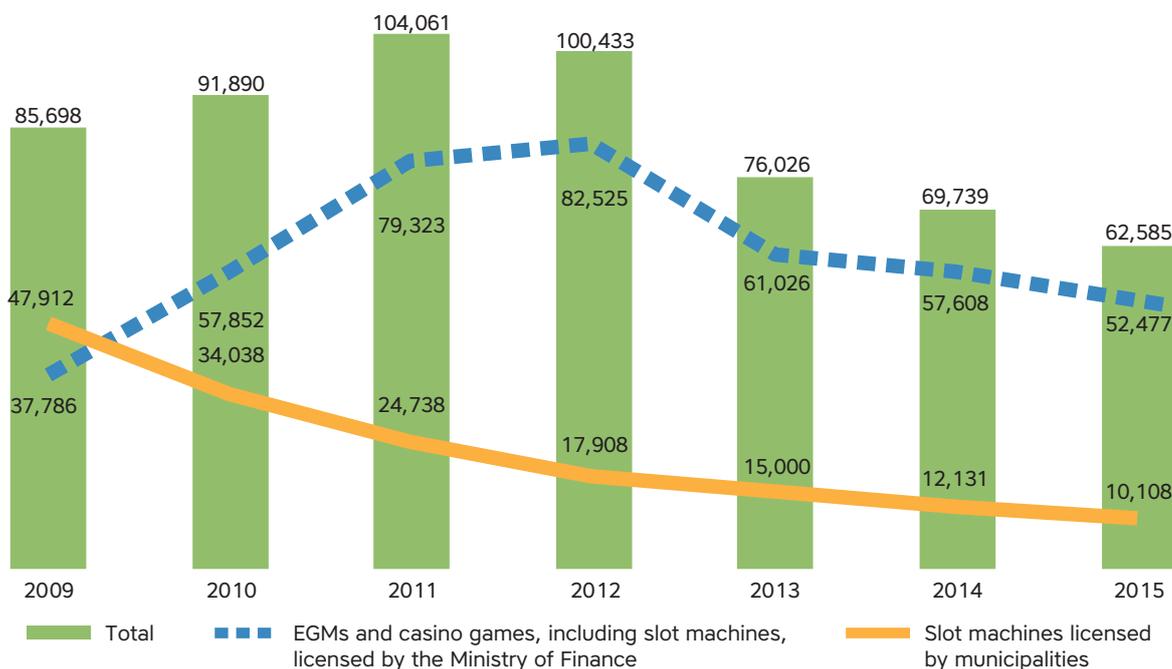
TABLE 1

Contributions from gambling to the national and municipal budgets, 2013–2015 (CZK million)

Contributions from gambling		2013	2014	2015
Municipal budgets	EGMs	4,878	5,015	4,905
	Others	621	512	583
Municipal budgets in total		5,499	5,527	5,488
National budget	EGMs	1,202	1,243	1,230
	Others	1,447	1,204	1,358
National budget in total		2,650	2,447	2,587
Total	EGMs	6,080	6,258	6,134
	Others	2,068	1,716	1,941
Grand total		8,148	7,975	8,076

GRAPH 5

Number of EGMs and live games from 2009 to 2015



and Pilsen regions (75.1), the smallest in the Vysočina region (25.2).

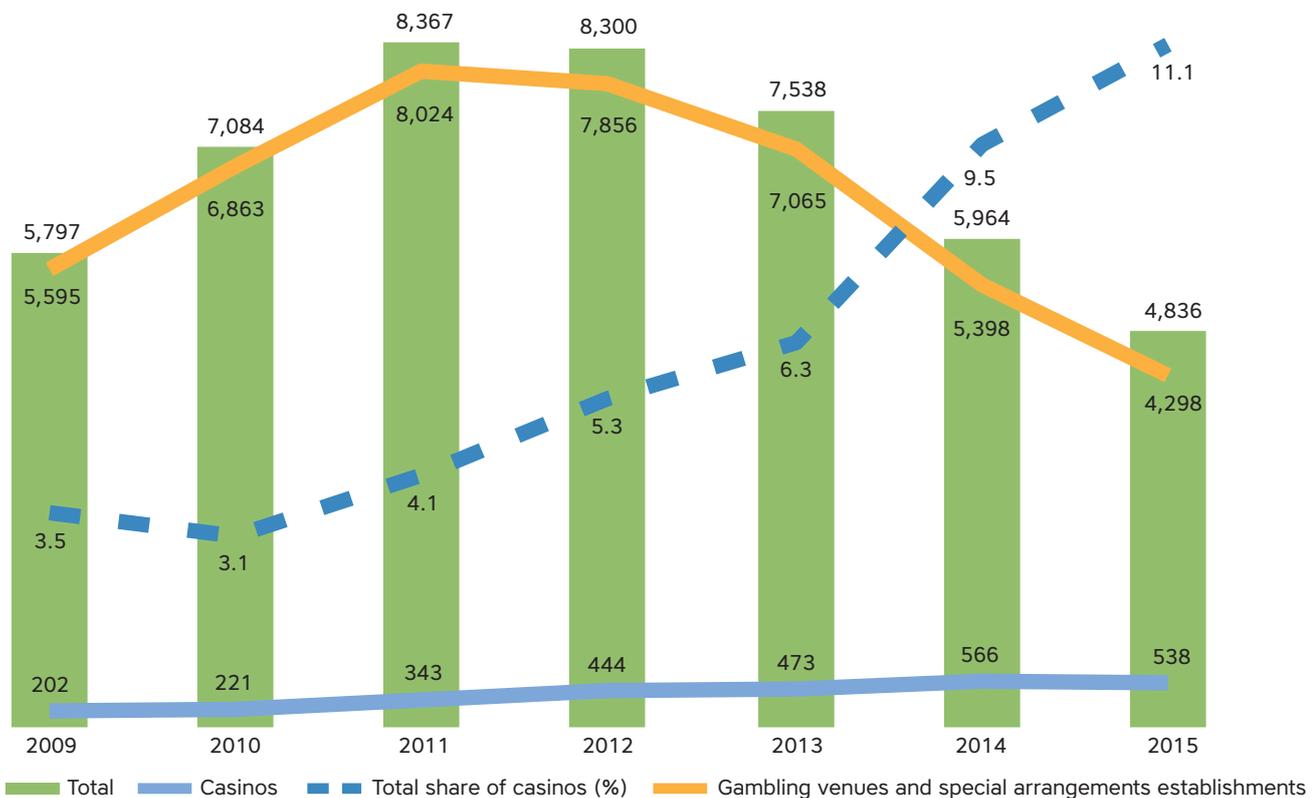
As of the end of 2015 technology-based (EGMs) and live games licensed by the Ministry of Finance were available in 4,836 gambling venues, casinos, and special arrangements establishments (there were 5,964 such outlets in 2014). Hence, the number of gambling outlets fell by almost 18.9% year on year. The total number comprised 4,298 gambling venues and special arrangements establishments and 538 casinos. A major decline in the number of gambling venues and special arrangements establishments was recorded (by 1100, i.e. 20.4%, in comparison with the previous year). Since 2011 the share of casinos in the total number of outlets has been rising: casinos accounted for some 11% of all the gambling outlets in 2015 (Graph 6).

The geographical distribution of the supply of gambling changes according to regulation at the municipal level. For example, the number of gambling venues in Prague dropped to

170 between 2014 and 2015 (a 54% decline), although the number of Prague-based casinos rose by 10% (to 158). A dramatic decrease in the number of gambling venues was also recorded in the Pilsen, South Bohemia, and Vysočina regions (by 29%, 26%, and 28%, respectively). The supply has a bearing on the income generated by gambling for municipal budgets. The districts showing the greatest decline in total income for municipal budgets included Rokycany (48%), Brno-město (41.5%), and České Budějovice. The municipalities of Brno, České Budějovice, and Rokycany have issued generally binding ordinances to ban the operation of EGMs on their entire respective territories. A number of districts, however, experienced a significant increase in their overall municipal income. These include Prachatice (a 72% rise), Znojmo, Teplice, and Domažlice (each recording an increase of about 20%). While the total income received by municipal budgets from gambling did not change much in aggregate terms, it was redistributed as a result of a (relative) drop in the number of EGMs in some areas of the Czech Republic, while other areas experienced an increase in this respect. ✕

GRAPH 6

Number of gambling venues, including special arrangements establishments, and casinos, 2009–2015



Gambling in the General Population

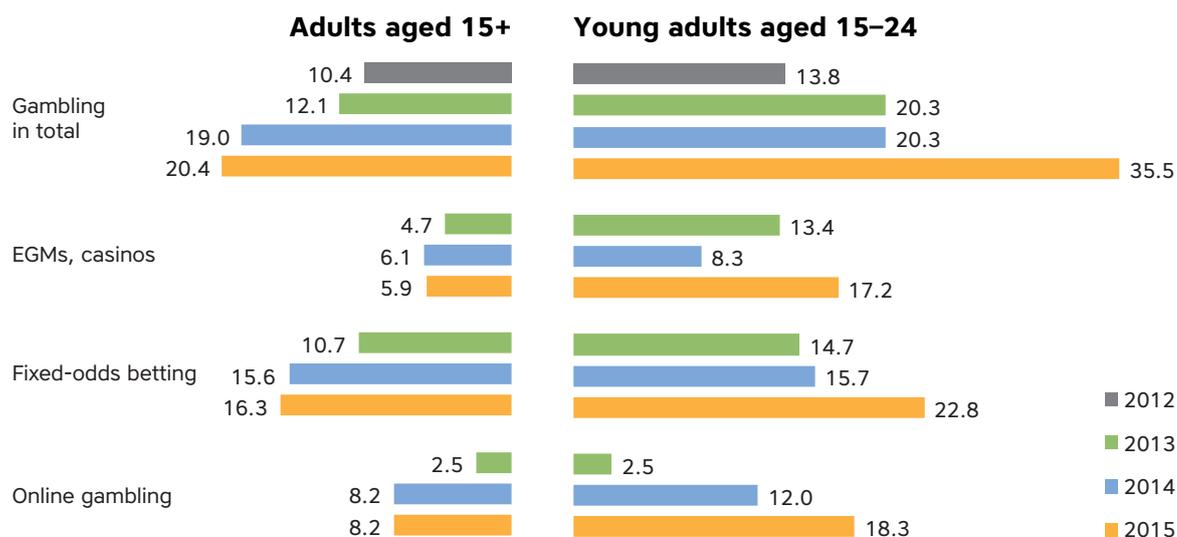
> The year 2015 saw another wave of a survey entitled “The Prevalence of Drug Use among the Population of the Czech Republic” (carried out by the Czech National Monitoring Centre for Drugs and Addiction/National Focal Point in association with ppm factum research), which also looks into experience with engaging in various types of gambling activities other than instant and numerical lotteries among the general population

above 15 years of age. In comparison with the previous year, a slight increase in the lifetime and last-12-month prevalence of gambling among the adult population was observed in 2015.

Having engaged in land-based fixed-odds betting at some point in their lifetime was reported by 28.2% of the respondents. Lifetime experience with playing on electronic gaming machines

GRAPH 7

Development of gambling in the last 12 months among the adult population as a whole and among young adults aged 15–24, 2012–2015



Gambling among Children and Adolescents

Another wave of ESPAD was conducted in 2015. Taking place regularly every four years, this project is aimed at surveying substance use and other forms of risk behaviour among 16-year-old students. In addition to questions about the use of both legal and illegal substances, the questionnaire included a module on gambling for the first time. The gambling-specific items inquired about playing “slot machines and VLTs”, playing cards and dice, participating in lotteries, and fixed-odds betting on sports or horse races, making a point of differentiating between gambling online and in traditional settings (such as gambling venues, casinos, and betting shops). The sample comprised 2,738 respondents who turned 16 in 2015.

Gambling for money in the last 12 months was reported by a total of 9.1% of the respondents (15.3% of the boys and 3.1% of the girls), of whom 3.0% (4.9% of the boys and 0.9% of the girls) reported gambling for money twice a week or more frequently. The students mostly gambled online; the most common money gambling activities they reported having played on the internet were cards or dice, followed by fixed-odds betting and lotteries, with both reaching the same levels. Higher levels of gambling were reported by the boys: the greatest difference in gambling between the boys and the girls was found with respect to their experience with online fixed-odds betting on sports or races, while the smallest difference was observed in “offline” lotteries.

The majority of the adolescents spent less than half an hour per day gambling for money, but 1.4% of them (2.8% of the boys and 0.1% of the girls) gambled for money for more than two hours per day on average.

Gambling for money in the last 12 months was reported most frequently by students at secondary vocational

schools without the school-leaving examination (maturita) or apprentice training centres (13.4%), who also spent the greatest amount of time gambling. These were followed by ninth-graders, of whom 9.1% reported experience with gambling. Grammar school students were found to be engaged in gambling to the smallest degree (4.2%).

Within the ESPAD study, a long-term trend can only be described as regards the variable “playing on slot machines (the kind in which you can win money)”, which has been monitored in the Czech Republic on a regular basis since 1995. The proportion of 16-year-olds who reported having gambled on slot machines at a rate of at least once a week has remained stable in the long term, ranging from 1.0–1.5%.

This study also provides estimates of problem gambling generated by means of the Lie/bet scale. An estimated 2.7% of the students who had engaged in gambling in the last 12 months were found to be at risk of the development of problem gambling (which corresponds to some 13,000 individuals in the 15–19 age group), with 2.1% of them falling within the low-risk category and 0.6% within the high-risk category. A significantly higher percentage of individuals at risk of gambling-related problems was found among boys and among students at apprentice training centres and secondary vocational schools without the school-leaving examination. A higher risk of the development of problem gambling has been shown to exist in settings where boys are predominant, in apprentice training centres, and in classes with a high rate of truancy. On the other hand, primary and middle schools and classes at grammar schools and secondary vocational schools where girls are predominant appear to be less risky in this respect.

or casino-based games was reported by 22.3%, while 14.3% had gambled online at least once in their lifetime. Men were most likely to report experience with fixed-odds betting. Women had pursued this type of gambling activity with the same frequency as playing on electronic gaming machines or in casinos.

Experience with land-based fixed-odds betting in the last 12 months was reported by 16.3% of the respondents, gambling on electronic gaming machines or casino-based games had been engaged in by 5.9%, and 8.2% of the respondents had gambled online. 6.9% of the respondents had participated in fixed-odds betting, 1.7% had engaged in EGMs or casino gambling, and 2.9% had gambled online in the last 30 days. Men reported a rate of participation in gambling activities in the last 12 months that was approximately four times higher than that of women, while the former's frequency of gambling was no less than six times higher than that of the latter as regards the last-30-days time frame.

Gambling in the last 12 months was mostly reported by the respondents falling into the 15–24 age group, followed by the respondents in the 25–34 age category. Fixed-odds betting, followed by online gambling, was the most prevalent gambling activity in all the age groups. Online gambling and electronic gaming machines or casino games reached similar levels in the 15–24 age group. This group also showed a dramatic year-on-year increase in its experience with gambling, from 20.3% to 35.5%.

The levels of experience with gambling grew from 2012 to 2015. This mainly applied to young adults up to 24 and online gambling and fixed-odds betting (Graph 7). X

Problem Gambling

> The results available up to 2014 suggest that approximately 5% of the adult population are at risk of the development of problem gambling (ca. 450,000), with 1.5–2.3% of adult individuals (130,000 to 200,000) falling within the range of problem gambling, about half of whom are pathological gamblers (0.6–1.2% of the adult population, i.e. approx. 55,000–110,000 people). Women account for about a quarter of problem gamblers. Problem gambling in the Czech Republic is primarily associated with electronic gaming machines,

Problem Gambling

The term “problem gambling” is used to refer to disordered control over one's gambling behaviour, characterised mainly by a higher intensity of gambling, the episodic nature of gambling, and amounts of money spent on gambling which are disproportionately high relative to the player's economic status, with subsequent negative effects for the player and their environment. The term “pathological gambling” is also used for serious and especially clinically diagnosed forms of gambling. The 10th revision of the International Classification of Diseases (ICD-10) classifies it as a habit and impulse disorder under F63.0. The U.S. diagnostic and statistical manual (DSM-5) has introduced the terms *gambling disorder* or *disordered gambling*, placing the condition in the same category as substance use disorders.



foto: Wikimedia Commons

although individuals engaging in fixed-odds and live betting and online gamblers also show a significant level of risk of the development of problem gambling.

Estimates of the levels of problem gambling among the adult population are not available for 2015. Last year, however, saw the second wave of the survey "Pathological Gamblers in Treatment" (the first was conducted in 2013). Overall, answers from 259 respondents, mostly in psychiatric hospitals, were obtained. Data was also collected in addiction treatment facilities. Men and women accounted for 81% and 19% of the sample, respectively; the average age was 35.2 (the men 35.6 and the women 33.2). Over half of the sample (51.8%) were not older than 34. Approximately 70% of the respondents had steady or occasional employment, and 18.9% were unemployed before their treatment, which, however, could have been caused by their entering treatment. There were more people with college/university degrees in 2015 than in 2013 (15.4% versus 6.1%). On the other hand, there were fewer individuals with secondary education (34.7% versus 42.4%). Interestingly, gamblers in treatment showed a higher rate of above-average income relative to the general population – 18.8% of the respondents reported incomes exceeding CZK 30,000.

Up to 37% of the pathological gamblers in treatment had pursued occupations before treatment which are associated with a higher risk of the development of pathological gambling – 20% worked in catering, 5% were professional sportspeople, 5% worked as long-distance lorry drivers, 4% worked in the gambling industry, and 3% were in the armed forces.

Two thirds (67.2%) of the pathological gamblers in treatment in 2015 reported electronic gaming machines as being responsible for their problems (it was 82.5% in 2013). For 13.5% it was online gambling, especially live betting, in 2015

(9.7% in 2013). Land-based fixed-odds betting was reported as their primary problem by 9.3% of the respondents in 2015 (3.9% in 2013). Live games in casinos were the main problem for 6.2% of the gamblers in treatment (3.5% in 2013).

Men accounted for the vast majority of fixed-odds betters. The comparison of these two waves of the survey suggests a trend where the structure of pathological gamblers in treatment is changing to the effect that the gap between online gamblers and betters on the one hand and individuals playing on electronic gaming machines in brick-and-mortar establishments on the other hand is growing smaller (Graph 8).

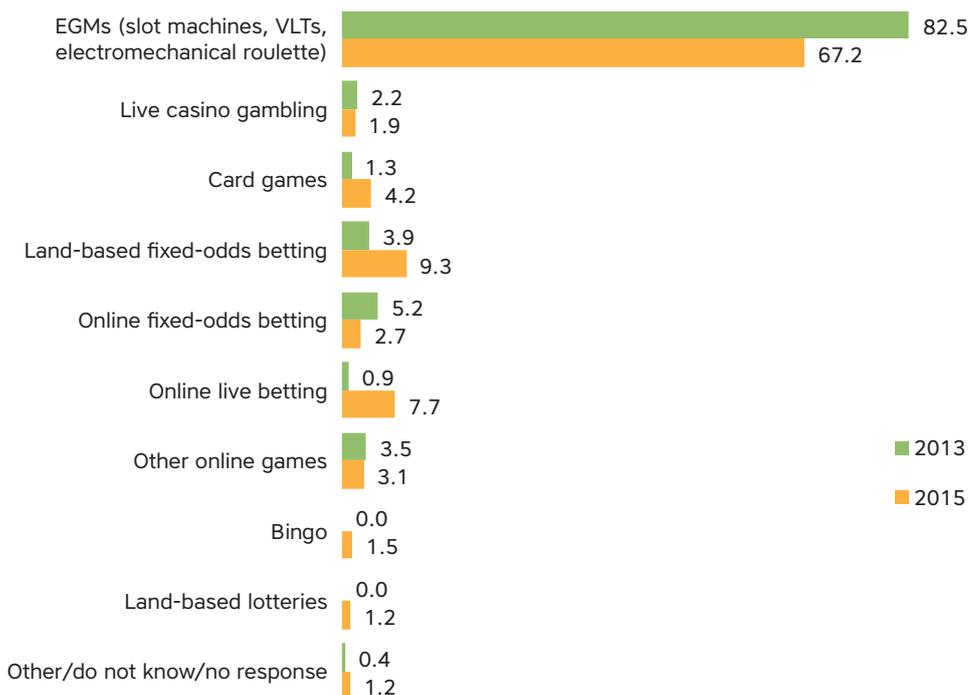
The average age of the first experience with gambling was approximately 20 years and the first instance of engaging in a problem gambling activity occurred at an age close to 23. They became regular gamblers at the age of 25, and were 29 when they first realised that they had a gambling problem. On average, thus, the gamblers sought professional help for the first time seven years after they had started playing regularly and three years after they had become aware of their gambling problems.

Another characteristic under scrutiny was the frequency of gambling in the last 30 days prior to treatment. On average, the gamblers played on 11 days and the average time spent gambling per week was 19 hours, which is more than 2.5 hours daily. The gamblers whose primary problem involved online gambling spent much more time playing, in terms of both the number of days on which they gambled (on average 28 days) and the length of time spent gambling (on average 30 hours weekly, which equals almost 4.5 hours daily).

The most common contributory factors for the development of problem gambling (i.e. reported by more than 70% of the gamblers) included the chance of high wins, a high probability of winning, and the easy way in which the prize money was

GRAPH 8

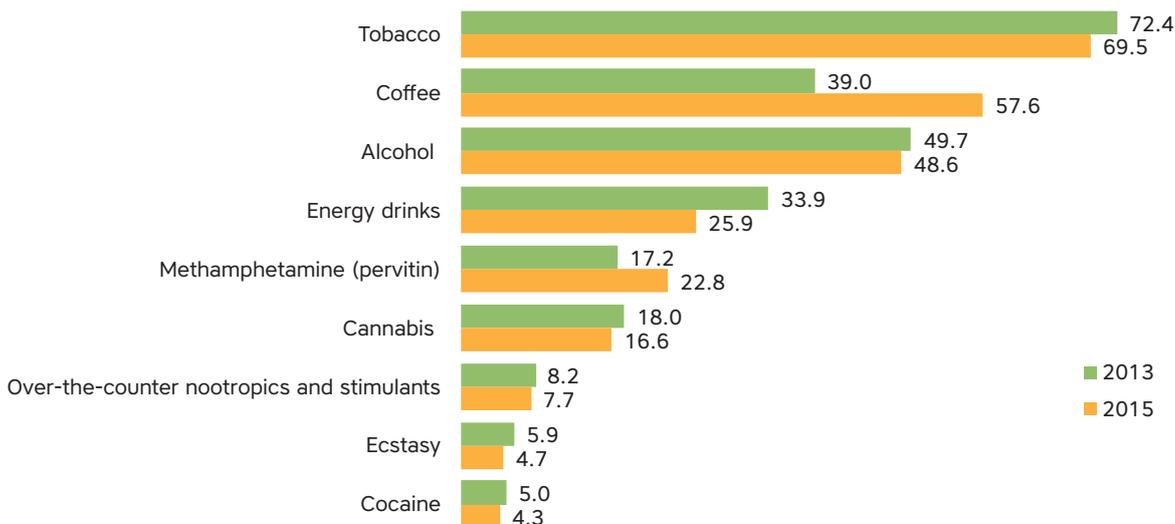
Primary problem gambling activity in pathological gamblers in treatment (%)



Note: * in 2013 the question included card games in casinos, in 2015 it did not include card games, ** in 2013 the question included card tournaments not in casinos, in 2015 it included card games in brick-and-mortar establishments

GRAPH 9

Substance use while gambling in the last 12 months prior to treatment (the aggregate of the “Often” and “Almost always” categories) (%)



paid out. Other frequently indicated factors were the changeability of the amounts of bets and information about near misses coming up within short intervals (after a lost game, players are informed that they have almost won, which boosts their urge to gamble on). The speed of the game and the possibility of engaging in multiple games at the same time were also mentioned, but less frequently. The gamblers who were primarily engaged in online fixed-odds betting also brought up the visual and audio effects. Near misses played a major role for gamblers engaged primarily in live betting, while the chance of high wins was insignificant for them. As regards the environmental characteristics, the availability and accessibility of gambling opportunities in terms of time and place were mentioned with the highest frequency.

Problem gamblers in treatment show high levels of substance use. This particularly applies to alcohol and tobacco, the use of which in the last 12 months was reported by 79.5% and 73.0% of the respondents, respectively. The most frequently used illegal drugs were cannabis and stimulants (methamphetamine), which had been used in the last 30 days prior to treatment by 23.8% and 21.5% of the respondents, respectively. The use of other illegal drugs such as heroin and other opioids, hallucinogens, or new synthetic drugs in the last 12 months reached the level of 5–6%, which is a multiple of those found for these substances among the general population (where the figures are below 1%).

As for addictive substances used during gambling, tobacco was the most prevalent – 69.5% of the gamblers used it often or almost always while playing. Alcohol, methamphetamine, and cannabis were often or always used while gambling by approximately 49%, 23%, and 17% of the gamblers in treatment, respectively. 26% consumed energy drinks while playing (Graph 9).

The study of pathological gamblers in treatment also looked into their mental health. In the 30 days prior to treatment, two thirds of the pathological gamblers suffered from anxiety-depressive disorder and another 17% showed heightened levels of anxiety and depressive symptoms.

In addition, the respondents often experienced symptoms which can be ranked among psychosomatic conditions, such as fatigue and exhaustion, a lack of appetite, trembling and shaking, numbness and tingling sensations in the extremities, and stomach-ache. Suicidal thoughts had been experienced at some point in their lifetime by 65% of the respondents. 29% of the gamblers in treatment had attempted suicide, with half of them doing so repeatedly. ✕





foto: pixabay.com

Social Consequences and Correlates

> The most adverse consequences of gambling for the gambler are those posed by the loss of money and time. In excessive gambling, these may be manifested in strong indebtedness and the disruption of everyday life and family and other social relationships resulting from the significant amounts of money and time lost because of gambling.

A typical downward spiral of pathological gamblers' life situations starts with the loss of their personal financial resources and savings, which is followed by the loss of family money and property. After using up these sources of finance, gamblers obtain loans from banks and later on from non-banking sector companies, and in extreme cases they even resort to criminal offending.

Problems in relationships with the family and partners are a significant impact of pathological gambling. As problem gambling develops, communication within the relationships deteriorates, the time spent together becomes limited, and there is lying on the part of the gambler and suspicion on the partner's part. Complete alienation and distrust may occur. The gambler's lies and the actual financial situation may be revealed. Contacts with the close family and friends may also become limited.

Problem gambling affects the overall quality of life and is a factor contributing to social inequality. Evidence shows that low-income groups tend to spend larger proportions of their income on gambling than high-income and

middle-income groups. Gambling thus works as a form of "regressive taxation". Poor people are more likely to engage in problem gambling. The supply of gambling tends to be concentrated in poorer and economically and socially disadvantaged areas.

Surveys carried out by the National Focal Point in association with the Agency for Social Inclusion suggested that in socially excluded communities gambling represents a problem of medium concern relative to other issues. Social workers considered unemployment, indebtedness, and low education/qualifications as the most pressing issues. When asked about the most serious problem immediately related to gambling, social workers engaged in socially excluded communities pointed out the indebtedness of individuals and families and recipients of social security benefits engaging in gambling. Gambling on the part of recipients of social security benefits was also identified by inspection visits to gambling venues in the town of Příbram conducted in 2015 by the local labour office in cooperation with the police. The inspections revealed that approximately a quarter of the customers of these establishments were recipients of subsistence allowances. It should be noted that subsistence allowances are disbursed to approximately 4% of the adult population in the Czech Republic, which means that the beneficiaries of subsistence allowances were represented among individuals playing on electronic gaming machines with a significantly high frequency. ✕

Gamblers' Indebtedness

A survey among addiction practitioners indicated that problem gamblers usually keep rather good records of how much they owe and to whom. Unlike other debtors, such as drug users, gamblers tend to be more active in dealing with their indebtedness and are more likely to succeed in reducing their debts. On the other hand, their debts are usually higher than those incurred by problem drug or alcohol users. They usually involve bank loans and consumer credits (while drug users' debts generally accrue as a result of their failing to pay health insurance and fines).

As for the money spent on gambling, on a typical day pathological gamblers in treatment usually wagered from CZK 1,000 to CZK 5,000, with about 20% of the respondents exceeding the amount of CZK 10,000, similarly to the year 2013. Their average monthly expenses in the last year amounted to CZK 51,000, with an average of CZK 38,000 spent on gambling. The majority of the respondents (77.5%) reported that their total monthly expenses did not exceed CZK 50,000. Average monthly expenses above CZK 50,000 were more likely to be found in gamblers participating in online live betting. The average monthly gambling balance in the year preceding their entry to treatment was CZK -44,400 (it was -38,800 in 2013), and the total financial balance on gambling upon their entry to treatment reached an average of CZK -745,000 (median CZK -300,000). 82% of the gamblers were in the red when entering treatment. The vast majority of the respondents participating in the Pathological Gamblers in Treatment study (91.5%) were in debt. The average amount of their

debt was CZK 596,000, the minimum CZK 4,800, and the maximum CZK 6 million. The debts of more than half of the gamblers (59.0%) did not exceed the amount of CZK 500,000. Gambling was reported to account for an average of 76% of the overall indebtedness. The total sum of the debts incurred by gambling was higher in those playing on electronic gaming machines and engaging in online live betting than in those participating in fixed-odds betting and card games (an average of CZK 760,000-780,000 versus approximately CZK 400,000). A total of 39% of the gamblers reported having been under personal property distraint or salary attachment orders at some point in their lifetime. The total amounts of overdue repayments in problem gamblers who were clients of debt counselling services ranged from CZK 340,000 to CZK 8 million, CZK 1.2 million on average. These clients had up to 12 creditors, mostly comprising non-bank cash loan companies and banks. Gambling as the cause of indebtedness was reported by only 1.1% of the clients of debt counselling services, with excessive non-specific purpose loans being the main reason in this respect. Clients who were gamblers or the people close to them often faced distraint orders, had applied for debt relief, or were even included in a debt relief scheme. A large proportion of the clients of drug treatment services are prevented from making use of the formal debt relief process as a result of their failure to meet its requirements, such as employment or another source of regular income, or a long enough history of employment or a regular income. Clients' previous convictions for crimes against property may also be a problem.

Crime

> Gambling-related crime can be divided into primary and secondary. Primary crime refers to illegal gambling and other violations of the Lotteries Act. According to the Financial Administration of the Czech Republic, in recent years the most common violations of the Lotteries Act included the failure to report an authorised person to the national regulatory authority, the failure to provide supervision on the part of a person responsible for the no-admittance rule applicable to persons under 18, the failure to report a change in operating hours, the failure to post up the rules of the game or the house rules, operation at an address other than that formally announced, an invalid registration label on an electronic gaming device, and the unauthorised operation of a lottery or other such games. There was a change in the performance of state supervision over the operation of gambling as of 1 January 2013, when the Specialised Tax Office (STO) took over this agenda from the regional revenue offices. In 2015 the STO conducted a total of 339 instances of administrative proceedings and imposed fines amounting to an aggregate of CZK 33.6 million, which was CZK 0.5 million less than in 2014.

According to the Crime Statistics Register, 82 criminal offences of the unlicensed operation of a lottery or similar game of chance were reported in 2015 and 31 individuals were prosecuted in connection with those. The number of these offences almost doubled in comparison with 2014. Both the number of reported criminal offences and that of people

prosecuted for them are the highest of all the levels recorded since 2001.

In 2015 the main forms of illegal operation of gambling were quiz machines and discount machines and the club activity-based operation of gambling.

Secondary gambling-related crime includes criminal offences committed by gamblers in connection with their participation in gambling activities, criminal offences committed in order to obtain the wherewithal for gambling, and offences which have a strong association with their urge to play. The 2015 study on pathological gamblers in treatment showed that 46%, 35.5%, and 33.2% of the gamblers had committed a theft, fraud, and embezzlement, respectively, at some point in their lifetime. ✕



Quiz Machines and Discount Machines

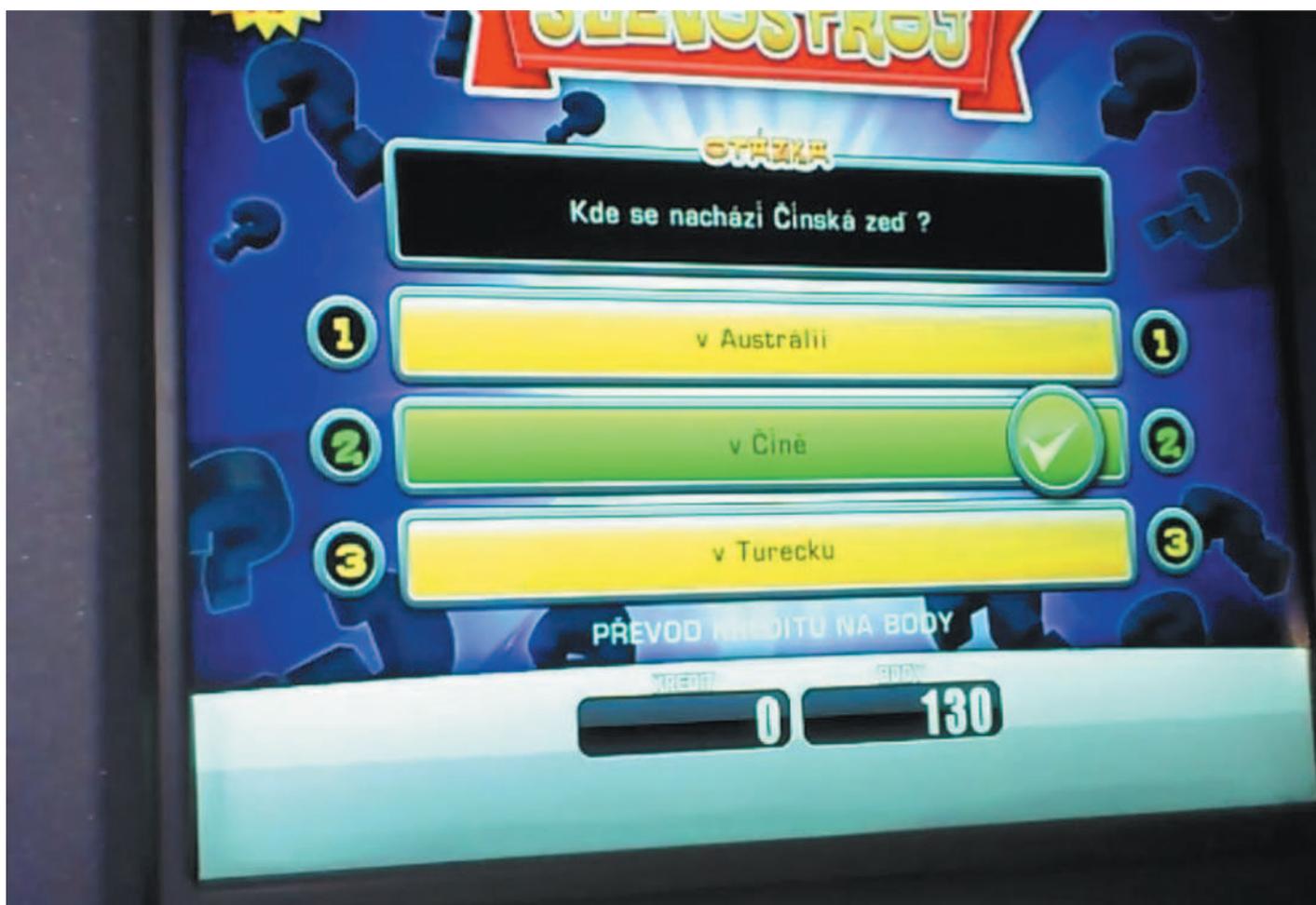
Both quiz machines (*kvízomaty*) and discount machines (*slevostroje*) are electronically controlled technology-based gaming devices similar to video lottery terminals which make it possible to participate in a reel-based game and general knowledge quiz. With quiz machines, if a player wins, they score a credit which can be converted to cash. With discount machines, in the case of a win, players receive a discount voucher which can be used to purchase drinks at the venue at reduced prices. The common practice is, however, that these discount vouchers are exchanged for cash. The intention of the operators of quiz machines and discount machines is to evade administrative proceedings on the basis of which the Ministry of Finance grants licences for the operation of EGMs, to dodge municipal ordinances banning the operation of gambling, and/or to evade taxation. The operators of these devices claim that neither quiz machines nor discount machines come under the Lotteries Act, as the games involve an element of skill, i.e. a player must answer a general knowledge quiz question before they can start the game (Figure 1). However, the Ministry of Finance, as the regulatory authority for gambling, holds that quiz machines and discount machines are technology-based devices directly controlled by the player

with the possibility of instant winning. As such, they come under the effective stipulations of the Lotteries Act and their unlicensed operation is therefore an administrative or criminal offence. Municipal local budgets in particular lose hundreds of millions of crowns annually (given the estimated number of 2,000 machines, it is about CZK 200 million) because of the operation of quiz machines and discount machines whose operators fail to contribute the lotteries tax to public budgets. The unauthorised EGMs began to emerge after numerous municipalities had dramatically restricted or banned EGMs within their limits by means of generally binding ordinances.

Commissioned by the Government, a joint specialised team to tackle illegal gambling (“Anti-Gambling Cobra”) was established at the beginning of 2016. It consists of an executive group (comprising the Police of the Czech Republic, the Financial Administration of the Czech Republic, and the Customs Administration of the Czech Republic) and a support group (its members being the Ministry of Finance, the Ministry of the Interior, and the Office of the Government – Secretariat of the Government Council for Drug Policy Coordination).

FIGURE 1

Example of a screen of a discount-generating gaming machine (“discount machine”)



Source: Ministry of Finance

Prevention

> The level of implementation of gambling-specific preventive measures is generally very low in the Czech Republic. The Pathological Gamblers in Treatment survey of 2015 indicated that only 15% of the players had experienced being offered the opportunity to reduce their gambling by having limits set on their gambling or having a chance to self-exclude themselves from gambling. The offer of restricting measures is particularly low as regards electronic gaming machines (10%). A higher rate of individuals who had been offered self-commitment or self-exclusion options with respect to gambling was found among online gamblers, especially those engaged in fixed-odds betting. Out of the gamblers with live betting as their primary problem gambling activity, 25% had been offered the self-commitment option and 40% self-exclusion at some point in their lifetime.

Formally, the prevention of problem gambling among children and adolescents is incorporated into the system of the school-based prevention of risk behaviour. The available data suggests that the existing certified school-based prevention programmes in the Czech Republic pay scant attention to the issue of gambling, mostly in association with too much time being spent on the internet or social networks. It is mainly due to a lack of demand on the part of schools and the absence of detailed methodological guidelines for this area that gambling is not addressed as a separate topic by the preventive programmes. Therefore, in April 2015, *Společnost Podané ruce*, a public service company, introduced a programme to prevent problem gambling entitled *Hra na hraně* ("Game on the Edge", in original "Stacked Deck"). The specific objectives of this educational programme for children and adolescents in primary and middle schools are to enhance their awareness of the risks of problem gambling and to strengthen their abilities to make responsible decisions. Intended for teachers and education professionals in schools and the staff of low-threshold facilities for children and adolescents and other professionals, it is accredited by the Ministry of Education.

Since 2015 *Společnost Podané ruce*, in partnership with the *Synot Tip* company, has also piloted a programme for gambling industry professionals aimed at preventing pathological gambling which focuses on the early identification of problem gambling and intervention in customers of gambling establishments. It has turned out that the staff's resources in terms of actively approaching gamblers and handing them informational materials are largely limited. There is generally minimal contact between the staff and customers. If at all, early identification and intervention may be viable with respect to regular customers. The staff who pay out the prize money are the ones most likely to be able to intervene. It is practical to place informational materials in both discreet places, such as toilets, and busy areas, such as at the bar or on the EMG screen. ✕

Treatment

> The treatment of problem gambling shows a relatively high success rate. However, the uptake of treatment is low, especially because of the insufficient availability of specialised care in the Czech Republic and barriers on the part of problem gamblers, such as the fear of stigmatisation, denial, and a lack of information. Players' awareness of the gambling-related risks and the possibilities of help remains low; the most common sources of information are the family, friends, and acquaintances.

Care is generally provided by addictological and psychiatric counselling and treatment facilities, both residential and outpatient. According to the available data, in the Czech Republic there are 10–20 facilities that specialise in treatment services for problem gamblers, with their number seeing no major changes in 2015. Over a period of several months 22 facilities participated in the Pathological Gamblers in Treatment survey, with only seven providing 10 or more problem gamblers for the purposes of the study. Access to specialised care is particularly low in the areas of Western and Northern Bohemia.

While the total numbers of individuals admitted to psychiatric inpatient facilities because of their pathological gambling range from 500 to 550 in the long term, the proportion of women has been increasing continuously (from 5–6% before 2008 to 13% in 2014).¹ The age of the patients is rising: the proportion of patients under 29 dropped between 2004 and 2014, while that of patients in the 30–44 and 60–64 age categories grew. Every year, outpatient clinics provide treatment to about 1,400 patients diagnosed with pathological gambling, with women accounting for approximately 11%.

Debt and financial counselling is a service of great significance for pathological gamblers. However, its availability and intensity in addiction treatment services is low. While online professional help resources are emerging in the Czech Republic, there is no specialised helpline available. Relevant self-help groups are still under development in the Czech Republic; three Gamblers Anonymous self-help groups are currently active (two in Prague and one in Brno). Since 2013 programmes providing services for pathological gamblers have been supported as part of the subsidy scheme of the Government Council for Drug Policy Coordination. Overall, professional services provided within 46 programmes received support in 2015, 18 of which involved projects tailored to the needs of problem gamblers. 726 clients who were problem gamblers were reported. Keeping a separate record of problem gamblers, specialised programmes (15 projects) reported 627 clients (86.4% of the total figure). Women accounted for 11% and the average age of the clients decreased from 34.3 in 2014 to 31.8 in 2015. ✕

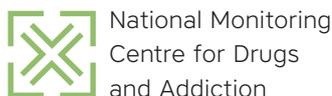
¹ Information on the number of hospitalisations is available with a year's delay.

Sources of information

> This issue is based on the annual report Gambling in the Czech Republic in 2015 – Annual Report [MRAVČÍK, V., ROUS, Z., TION LEŠTINOVÁ, Z., DRBOHLAVOVÁ, B., CHOMYNOVÁ, P., GROHMANNOVÁ, K., JANÍKOVÁ, B., VLACH, T. 2016. Výroční zpráva o hazardním hraní v České republice v roce 2015. MRAVČÍK, V. (Ed.). Praha: Úřad vlády České republiky. ISBN 978-80-7440-151-0]. For detailed information and its sources specified according to citation standards see the Annual Report. ✕

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National Monitoring
Centre for Drugs
and Addiction

ANNOUNCEMENTS / LINKS OF INTEREST

Information about substance use and gambling in the Czech Republic is available at

<http://www.drogy-info.cz/>, <http://www.drogy-info.cz/en/>.

All the publications released by the National Focal Point (National Monitoring Centre for Drugs and Addiction), including all the issues of the "Zaostřeno" bulletin, are downloadable in electronic form from

<http://www.drogy-info.cz/publikace/>.

Any orders for hard copies of the publications should be sent to grygarova.marketa@vlada.cz.

Map of Aid

<http://www.drogy-info.cz/en/map-of-aid/>

– changes in contact information should be sent to grygarova.marketa@vlada.cz.

Calendar of events

<http://www.drogy-info.cz/kalendar-akci/> – information about training events and seminars that concern addictology or are relevant to it and can be posted in the calendar should be sent to grygarova.marketa@vlada.cz.

Orders for the reedition of six DVDs with documentaries on drugs – the *Když musíš, tak musíš* ("When You Have To, You Just Have To") project should be sent to grygarova.marketa@vlada.cz.

For the UniData and PrevData applications for maintaining a record of the clients and interventions of drug services, including user support, visit

<http://www.drogoesluzby.cz/>.

Media monitoring

<http://www.drogy-info.cz/index.php/info/monitor>.

Website of the European Monitoring Centre for Drugs and Drug Addiction (EMCDDA)

<http://www.emcdda.europa.eu/>.

The EMCDDA European Drug Report 2015

<http://www.emcdda.europa.eu/edr2015>.

National website for support smoking cessation

<http://www.koureni-zabiji.cz/>.

National line for smoking cessation 800 35 00 00.

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