A Public Health-based Approach to German Gaming Regulation

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Knut Walter, Gerhard Bühringer
Declaration of competing interests

Research has been funded in non-restricted forms by:

(1) Public research agencies (aetiology, epidemiology, monitoring)

(2) Public authorities with vested interests (prevention, training, consumer protection concepts; State Ministries responsible for the gambling monopoly)

(3) Gambling industry (early identification of gambling problems, consumer protection concepts; bwin and German public and private gambling providers)
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1. The German Regulation

- Online Poker & Casino: prohibited
- Casinos: 53 Casinos
- Sports Betting
- Gambling Halls: \(\approx 200,000\) Slots in \(\approx 10,000\) halls / pubs
- Horse Betting
- Charitable Lotteries
- State Lotteries: state-owned
- German Länder
- Federal Government
2. The Challenge

To provide a gambling regulatory framework for an effective consumer protection in Germany.
3. The Aim

A regulatory framework that:

(1) Covers all types of gambling in a limited, controlled market
(2) Promotes risk awareness
(3) Protects the interest of social gamblers
(4) Secures the needs for protection of vulnerable/disordered gamblers
(5) Is supported by all stakeholders
(6) Is effectively controlled by independent regulatory body
(7) Is designed as an adaptive learning system with input from monitored information and scientific expertise
4. Scientific Background

4.1 Epidemiology of PG

![Bar chart showing prevalence of problem gambling (PG) from various studies]

- Bühringer et al. (2007): 0.2
- BZGA (2008): 0.2
- BZGA (2010): 0.4
- Sassen et al. (2011): 0.3
- Meyer et al. (2011): 0.3
- BZgA (2012): 0.5
- BZgA (2014, FN): 0.4
- BZGA (2014, DF): 0.8
- BZgA (2016, FN; KI geschätzt): 0.3
- BZgA (2016, DF): 0.4

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4. **Scientific Background**

4.2 **Aetiology: heuristic model**

- **Environmental factors**
  - Availability, access, marketing
  - Family and peer group

- **Individual vulnerabilities**
  - Neurobiology
  - Learning & motivation
  - Cognitive Control

- **Substance/Behaviour characteristics**

- **Timeline**
  - No/low risk use
  - Risky use
  - Harmful use
  - No/low risk use
  - Chronic relapse

Lack of knowledge (probably both factor groups)
4. **Scientific Background**

4.2 **Aetiology: Environmental factors**

| Social environment | • Availability of and access to gambling  
|                     | • Social acceptance, control systems  
|                     | • Taxation                        |

| Family and peer group | • Parents with mental disorders, childhood stress and trauma  
|                       | • Early peer substance use and peer pressure, dysfunctional social networks and low social support |

4.3 **Aetiology: Gambling characteristics**

| Reward properties | • Time to reward/ relief  
|                   | • Intensity  
|                   | • Frequency |
4. **Scientific Background**

4.2 **Aetiology: Individual vulnerabilities**

<table>
<thead>
<tr>
<th>Neurobiological</th>
<th>Genetics, early adverse events and neuro-adaptation result in a vulnerable reward circuitry (e.g., dopamine and other neurotransmitters)</th>
</tr>
</thead>
</table>
| Learning and valuation | Changes in reward-based learning:  
- overweighting of short-term reward  
- reduced sensitivity to long-term outcomes |
| Motivation | Excessive incentive salience to substance use or repetitive other behaviours, e.g. attentional and approach bias, cue reactivity  
Reduced incentive value of natural reinforcers |
| Cognitive control | Cognitive control impairments, dysfunctional decision-making and impaired conflict monitoring  
Shift from voluntary goal-directed to habitual behaviour |
5. Quantitative Regulation

5.1 Examples

(1) Indirect quantitative approach: distance regulations
   - gambling halls: 100-500m (exceptions: 0 or 50m)
   - sports betting sites: extreme differences
   - children/youth facilities: 0-500m

(2) Direct quantitative approach
   - number of gaming machines per license
   - number of licenses
   - number of internet sports betting licenses
5. Quantitative Regulation

5.2 Evidence

(1) No / inconsistent long-term correlation between supply of gambling opportunities and gambling related behavioural problems:

- Systematic review: 1975-2012 (Williams et al., 2012)
- Germany: 2007-2015 (Bühringer et al., 2016)
- Switzerland: 2007-2015 (Lischer, 2016)
- Norway (Rossow et al., 2013)
5. Quantitative Regulation

5.2 Evidence

(2) Possible explanations:

- Adaption of gamblers and society (Williams et al., 2012)?
  - better awareness
  - decreased novelty
  - improved protection efforts
  - removal of problem gamblers

- Low impact of the risk factor “supply” / "game characteristics" compared to “individual vulnerability” and “protective social environment”?
5. Quantitative Regulation

5.3 Further disadvantages

(1) Refusal of quantitative regulation components by national and EU courts

(2) EU-infringement proceedings against Germany
6. Qualitative Regulatory Approach

6.1 Cooperative Strategy of all stakeholders!

One Regulatory Agency

Common Consumer Protection Concept

- Private Operators
- State-owned Operators
- Treatment Provider
- Science
6. Qualitative Regulatory Approach

6.2 Joint Goals

- Direct demand for gambling to safe, legal and controlled offerings;
- Model gambling environment to assume consumer rights;
- Support low-risk gambling and risk awareness;
- Early detection of existing or upcoming gambling problems;
- Offering protection and support to persons with gambling problems;
- Exclusion of minors;
- Prevention of manipulation of gambling services and gambling environment;
- Establishing of effective and robust gambling regulation.
6. Qualitative Regulatory Approach

6.3 Basic Strategy

Diagram:
- Quality
  - Gambling Services
  - Prevention and Treatment Services
  - Gambling Environment
  - Gambling Research
  - Regulatory Body
6. Qualitative Regulatory Approach

6.4 Quality of Social Environment

(1) Information and education (school, apprenticeship, family, youth facilities)
(2) Advertising bans related to minors
(3) Advertising limitations related to vulnerable gamblers
(4) Exclusion of minors and banned players
(5) Licenses for land-based gambling sites according to urban planning concepts
(6) Limitations of land-based gambling sites according to high risk sociodemographic characteristics (minors, migrants, unemployed people)
6. Qualitative Regulatory Approach

6.5 Quality of Gambling Services I

1. Transparency of game rules, procedures and characteristics
2. Game cards with self-determined limits and personal identification
3. Automatic feedback on core gambling information: e.g. stats, wins and losses
4. Monitoring of core game procedures for control purposes
5. No loans
6. Nationwide self- and forced exclusion system
7. Effective protection against manipulation
8. Payout guarantee
6. Qualitative Regulatory Approach

6.6 Quality of gambling services II

As far as players' accounts are required:

1. "One player = one account",
2. Secure identification,
3. Secure verification,
4. Transparent account statements,
5. Flexible self-limitation tools
6. Qualitative Regulatory Approach

6.7 Quality of prevention and treatment services

1. Provision of universal, selective and indicative measures
2. Training of staff
3. Implementation and monitoring of problem indicators during individual gambling processes
4. Self-determined player(card) limits with delayed options to increase the limits
5. Timely procedures for self- and forced exclusion with options for suspension
6. Early access to counseling and treatment services
7. Obligatory cooperation between providers and treatment services
8. Ongoing evaluation of prevention and treatment concepts
6. Qualitative Regulatory Approach

6.8 Quality of Regulator Body

(1) Independent authority (public monopolies!)
(2) Responsible for all gambling options
(3) Automated monitoring of license and protection regulations and violations
(4) Risk analyses of new gambling devices
(5) Adaption of regulations according to monitored information and scientific knowledge
6. **Qualitative Regulatory Approach**

6.9 **Quality of Gambling Research**

1. Publication of results in recognized scientific journals,
2. Distinction between scientific findings and expressed opinions,
3. Distinction between statistical correlations and causal relations,
4. Thorough discussion of limitations and generalizability of study results.
7. **Outlook**

(1) First proposal on the table

(2) Beginning of a dialogue with all stakeholder groups

(3) Further development and implementation of anti-fraud and integrity measures

(4) Final goal: New consumer protection based state treaty covering all types of gambling in 2021
THANK YOU VERY MUCH!

Gerhard Bühringer:  gerhard.buehringer@tu-dresden
Knut Walter:  knut.walter@scientific-affairs.com