

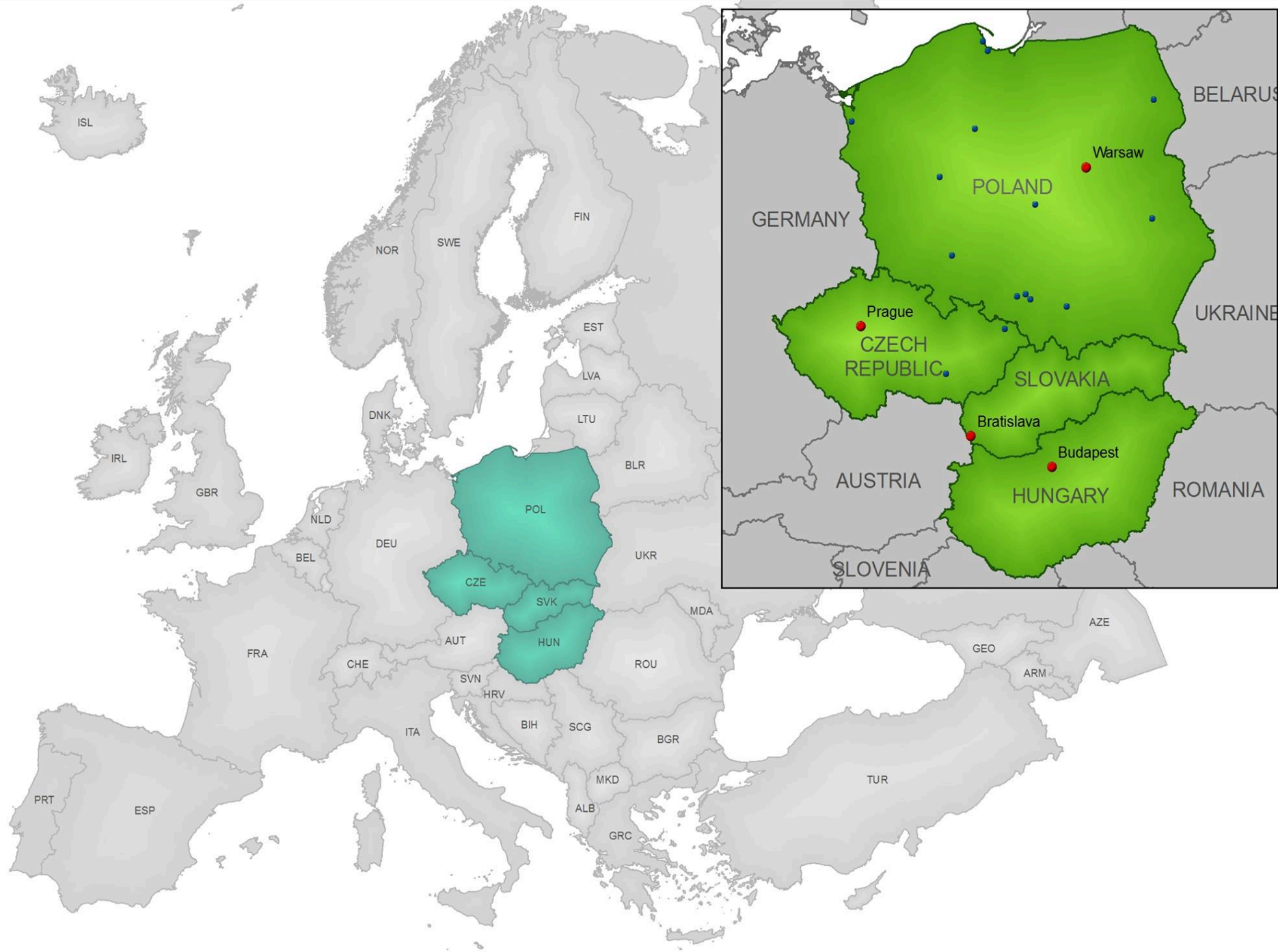
Gamblerization of post-communist society in Central European region

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Basic information about Central European countries

Table 1: Basic information about Central European countries (January 1st, 2016)

	Population	Total area (km ²)	Population density	Number of municipalities with 100 000 and more inhabitants
Czech Republic	10 538 275	78 867	134	6
Hungary	9 855 571	93 024	106	9
Poland	38 005 614	312 679	122	39
Slovakia	5 421 349	49 035	111	2

Source: Eurostat, 2016

Aims of the presentation

- To evaluate gambling development in the post-communist countries of Central European region
- To show the differences in public policies regulating gambling in these countries
- Gambling venues focused on tourism

Before 1989 – restricted socialist period

Fundamental ideology - idea of equality

- The difference between the lowest and highest salaries was relatively modest
- The life of citizens became limited, regulated, directed, and controlled

State lottery, scratch tickets, very limited sports betting

Illegal gambling (shadow economy)

- Casino-style venues located in private apartments
- Card gambling games

After 1989 – process of liberalization

Transformation processes and changes

- Centrally planned economy x market economy
- Privatization of economies
- Deindustrialization
- **Gamblerization** = process of continuous penetration of gaming facilities in the area accompanied by increased availability and accessibility of gaming machines by society

An uncontrolled spread of gambling activities before adopting lottery acts

- Betting offices, bingo halls, casinos, and gambling machines

Legislative framework

Czech Republic, 1990 – no. 202/1990 – still active

- 2011 - important amendment of the Act no. 300/2011
- 2017 – new gambling Act?

Slovakia, 1990 – no. 194/1990

- 2005 - New gambling Act no. 171/2005

Poland, 1992 – no. 68/341

- 2003 – amendment of the gambling Act – spread of gambling venues
- 2009 – new gambling Act no. 201/1540 – restriction

Hungary, 1991 – no. XXXIV

- 2012 – amendment of the gambling Act – EGMs out of casinos were banned
- 2013 – new gambling act – particular liberalization

Legislation – current situation in the Czech Republic

Very low taxation of gambling operators

- Continuously growing from 2012

Finally municipalities have the right to regulate EGMs

- Some of them still have more EGMs than inhabitants live in

EGMs are everywhere – casinos, gambling halls, restaurants, pubs, petrol stations etc.

Around 500 casinos; more than 7 000 of other facilities with EGMs (Mravčík et al., 2014)

Up to 6 machine can be outside of casino and/or gambling hall

The new Act on gambling is prepared – should be active from the beginning of 2017

Legislation – current situation in the Poland

Nowadays EGMs can be operated only in casinos

- In a period of 2003-2015 they could also be in shops, restaurants, etc.

Around 50 casinos; 100 gambling halls

- Before banning EGMs outside of casinos and gambling halls, there were more than 3 000 places with EGMs (in 2013)



Legislation – current situation in the Slovakia

Since 2005:

- Only 2 machines can be operated outside of casino; at least 5 machines in gambling hall
- Taxation of gambling operators got increased
- Permission for casino games – just for 2 years

Municipalities can regulate EGMs – 30 % of inhabitants have to sign a petition against gambling

Legislation – current situation in the Hungary

Until 2012 – EGMs in restaurants and bars

- In 2005 (around 30 000 EGMs mostly in restaurants) more than 18 000 of them had an EGM

From 2012 to 2013

- no EGMs outside casinos
- Just 4 casinos in the whole country

Nowadays – government has cancelled the ban of EGMs and prefer a regulated market

Development of EGMs gambling market

Table 2: Number of EGMs in Central European countries

Year	Czech Republic (10 538 275)	Slovakia (5 421 349)	Poland (38 005 614)	Hungary (9 855 571)
2006	52 185	12 000	50 000	33 141
2008	59 018	138	18 917	30 693
2010	63 641	3 000	55 000	26 292
2011	60 841	17 633	19 908	24 422
2012	53 000	17 633	12 542	7 945
2013	61 066	21 379	13 449	211
2014	62 352	21 379	7 237	812
2015	60 682	23 546	4 101	854

Source: World Count of Gaming Machines 2008 - 2015

Comparing numbers of EGMs according two sources of data

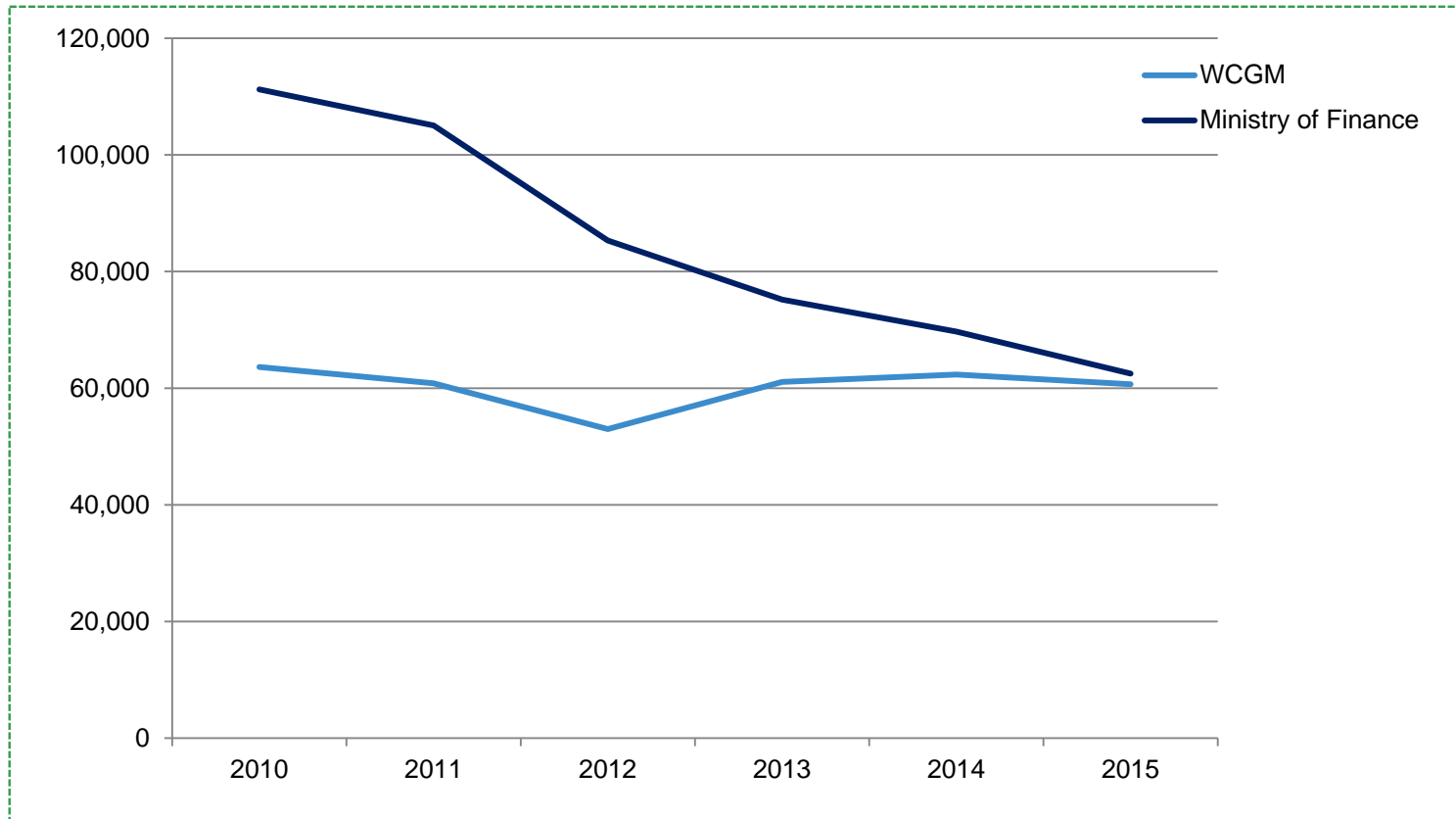


Figure 3: Number of EGMs in Czech Republic according to World Count of Gaming Machines and Ministry of Finance of the Czech Republic

Gambling in the Czech Republic – tourist places

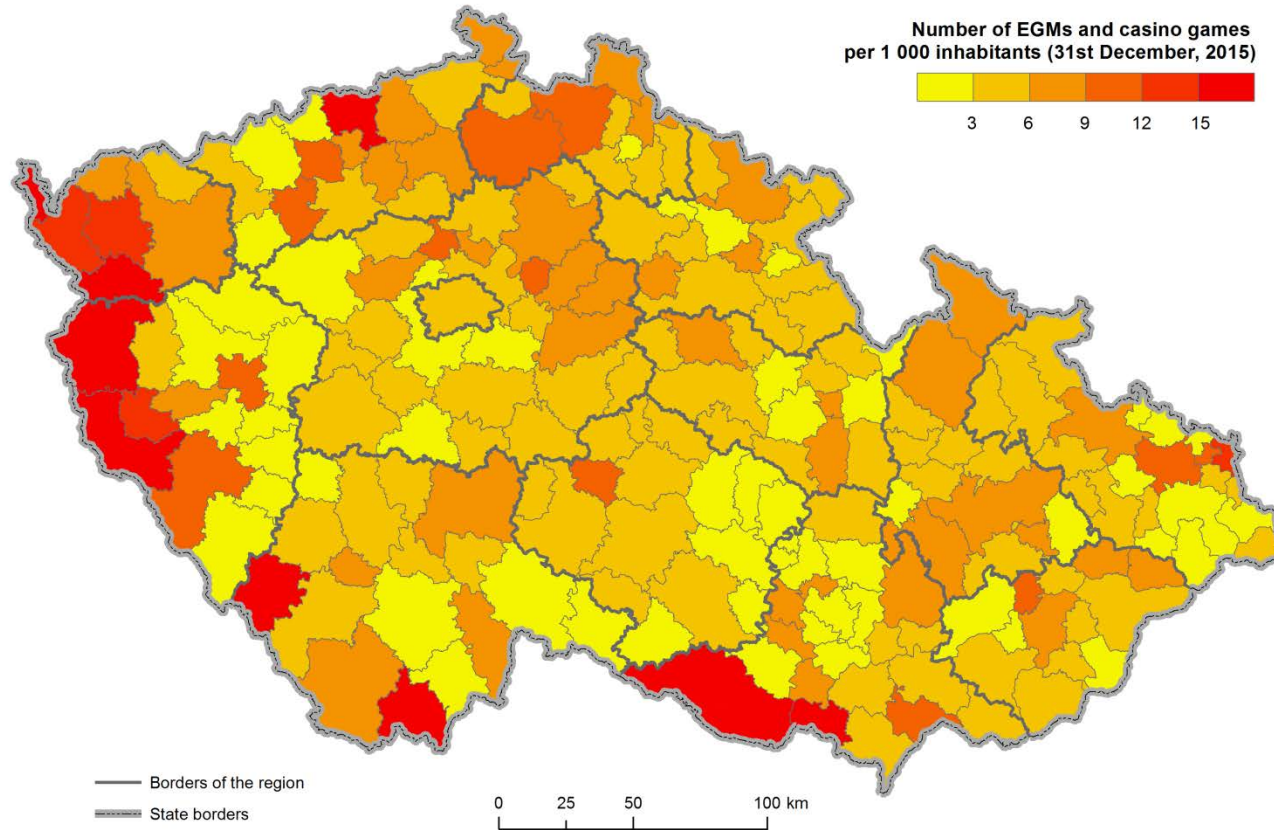


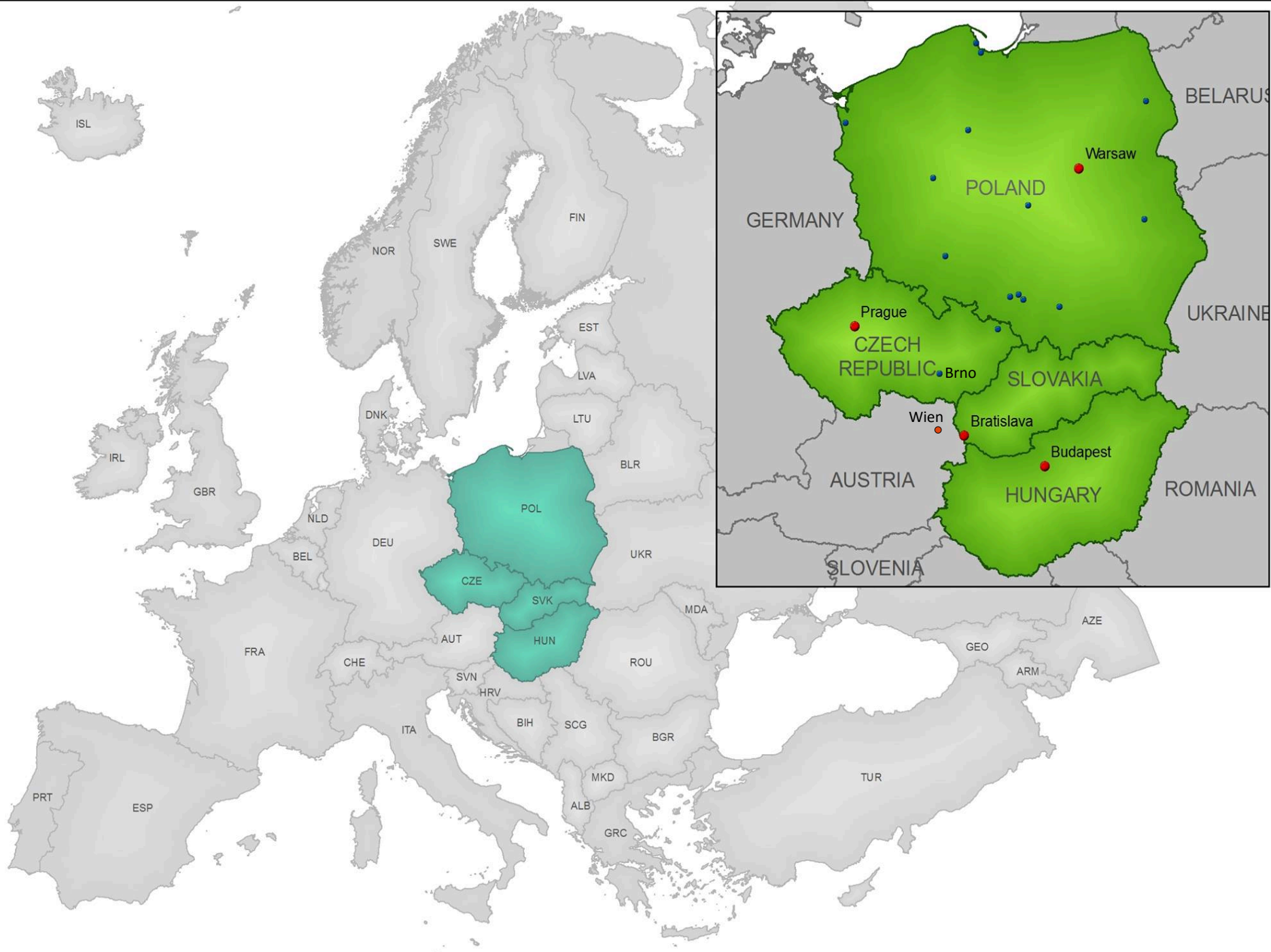
Figure 4: Number of EGMs and casino games per 1 000 inhabitants in the administrative districts of the Czech Republic (December 31, 2015)

Connection with the regulation abroad

Restricted gambling markets in Germany and Austria

- **Germany** – 81 million inhabitants; 271 650 EGMs => 300 inhabitants per EGM
- **Austria** – 8.5 million inhabitants; 12 000 EGMs => 700 inhabitants per EGM
- **Czech Republic** – 10 million inhabitants; 60 000 EGMs => 170 inhabitants per EGM

Many casinos at the Czech-German and Czech-Austrian borders



Bratislava city

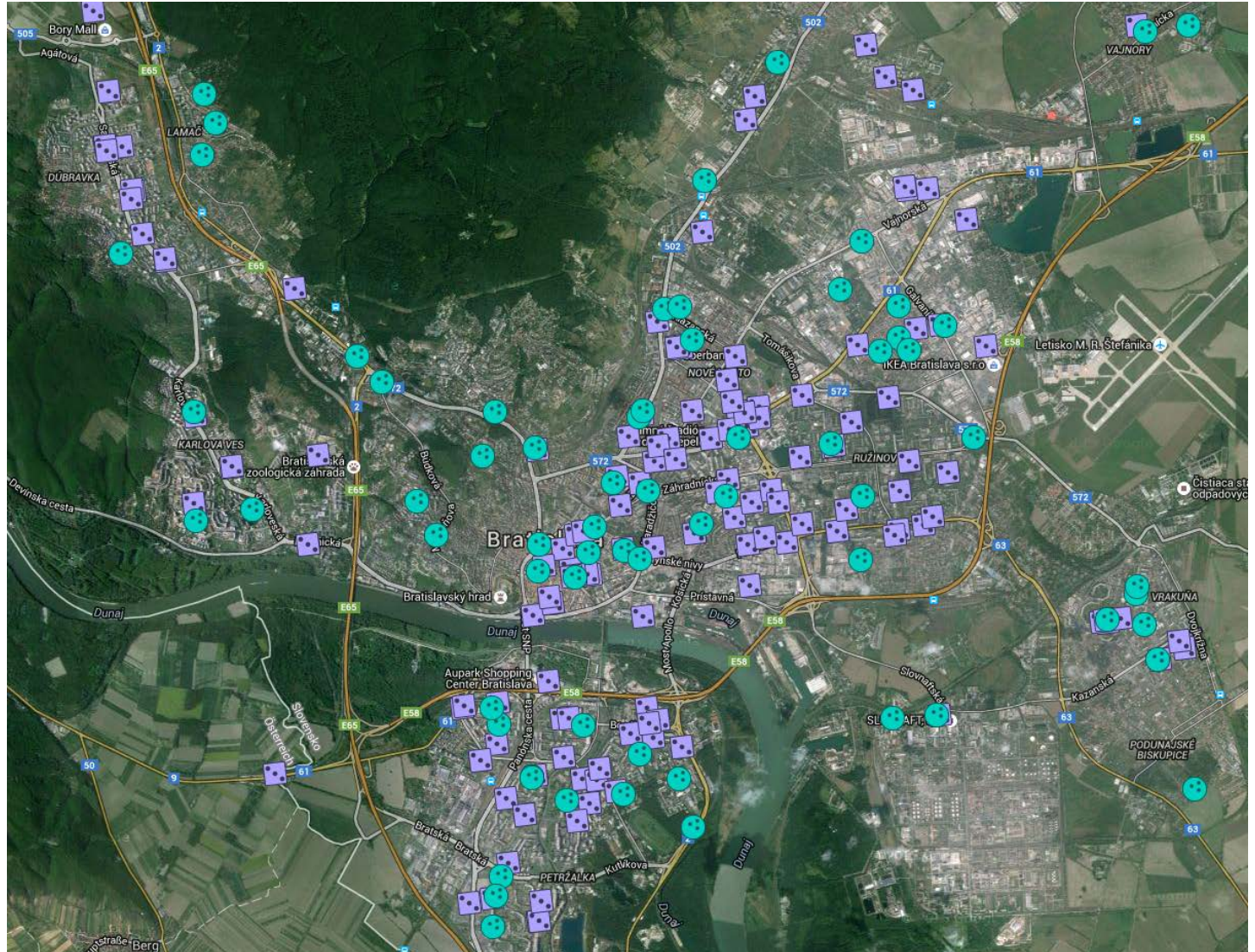


Figure 5:
Bratislava city at
the end of 2015

Conclusions

- All countries had a similar position at the beginning of the transformation process
- They have commenced to regulate the gambling market at different times → the Czech Republic is still the most affected country by EGMs in Central Europe
- The concentration of gambling facilities (casinos) is aimed on tourism to border areas – examples of the Czech Republic and Bratislava (the capital of Slovakia)

Thank you for your attention