Geographical research of gambling in the Czech Republic

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Aims of the presentation

1) Evaluation of the gambling research
   - Especially focused on the research in the Czech environment

2) Introduction of available data concerning gambling in the Czech Republic
   - Outcomes based on geographical analysis of these data
Gambling – importance

- Negative influence
  - Health and economic problems not just of individuals (gamblers) but also their families
  - Increased crime rates in the vicinity of gambling halls, casinos, etc.
  - Social deprivations: areas around gambling halls

- „Positive“ effect
  - Increased tax income of municipalities or even entire regions
A Brief Modern History of Gambling

- Lotteries in the Austro-Hungarian Empire
- Slot machines in 1930s
- State lottery company SAZKA
  - Founded in 1956
  - Prevention of illegal betting and financing a new sporting organization „Československý svaz tělesné výchovy“

- Transformation period (after 1989) – huge development of gambling, mainly of EGMs
  - Technical progress of gaming machines
  - Weak regulation of public policies
Phenomenon of gambling in the Czech Republic

Fig. 1 Number of electronic gaming machines (EGM) per capita in 2013

Note: * data are available only for 2011
Gambling research in the Czech Republic

- Problem gambling and pathological gambling
  - Especially medical research
  - Demographic groups – seniors, adolescent
  - Addictological services
  - Treatment, prevention of problem gambling

- Regulation of gambling
  - Comparing legislative framework with other countries

⇒ Lack of geographical research of gambling
  ⇒ (up to date just few bachelor and diploma thesis and paper from Perlín-Bednářová)
Geographical research of gambling abroad

- Focused mainly on accessibility and availability of gambling services
- Usually concentrated on the local scale
Available data concerning gambling in the Czech Republic

- **EGMs**
  - List of permitted machines in every municipality in the Czech Republic by Ministry of Finance – websites of Ministry of Finance
  - It is possible to apply for the list of machines permitted by municipalities

- **Incomes of municipalities**
  - MONITOR portal – municipalities’ budgets

- **Regulation of gambling**
  - Generally binding ordinances (GBO) – municipalities have to announce that council adopted GBO (websites of Ministry of Finance)
  - Referendums – the year 2014 is so called „the year of referendums“ – 1/3 of them about gambling regulation
Results
Examples of municipalities’ incomes from gambling industry

Table 1: The largest cities in the Czech Republic and their income from gambling industry in period 2010-2013 (million CZK)

<table>
<thead>
<tr>
<th>City</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prague</td>
<td>248.1</td>
<td>255.2</td>
<td>716.3</td>
<td>872.7</td>
</tr>
<tr>
<td>Brno</td>
<td>66.1</td>
<td>111.1</td>
<td>227.2</td>
<td>280.1</td>
</tr>
<tr>
<td>Ostrava</td>
<td>57.6</td>
<td>80.8</td>
<td>220.4</td>
<td>268.7</td>
</tr>
<tr>
<td>Pilsen</td>
<td>40.8</td>
<td>52.0</td>
<td>134.4</td>
<td>155.0</td>
</tr>
<tr>
<td>Olomouc</td>
<td>16.7</td>
<td>26.8</td>
<td>91.0</td>
<td>110.7</td>
</tr>
</tbody>
</table>

Source: Authors’ own elaboration based on Ministry of Finance data
Fig. 2 Spatial distribution of EGMs for administrative districts of municipalities with extended powers in 2010 and 2013
Spatial distribution of EGMs

- Decreasing the share of machines permitted by municipalities
  - In 2010 – more than 30% of all EGMs in the country were slot machines permitted by municipalities; in 2013 – less than 20%
- Gambling is related mostly with large cities or small municipalities in border areas
  - Municipality of Chvalovice (Czech-Austrian border) has just 597 inhabitants but more than one thousand EGMs (at the end of 2013)
  - Another examples of areas with very high number of EGMs in the Czech border areas neighbouring Austria and Germany: Dolní Dvořiště; Česká Kubice or Rozvadov
Fig. 3 Box plot of incomes from gambling to total taxation revenue of Czech municipalities based on the size category of Czech municipalities in 2010 and 2013.
Fig. 4 Lorenz curve of spatial concentration of EGMs in the Czech municipalities in 2010 and 2013
Other possibilities for geographical research

- To date: we have identified more affected regions by gambling than others – mostly they have different motivation to not prohibit gambling but regulate it
- It is necessary to do our own qualitative research, not just use secondary data
  - Local authorities
  - Specific gambling participants
  - Cultural aspects
- Urban environment
- Comparative analysis – V4 countries
Conclusions

- Geographical research of gambling is needed
  - Spatial concentration and distribution; accessibility and availability of EGMs
- There are three different scales – national, regional and local
  - Every scale needs special approach, different methods
Thank you for your attention