Gambling in Germany
Gambling experiences, problems, research and policy

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Gambling....
Content

- History and Background
- Problem Awareness
- Changes in form of Gambling
- National Policy and Control Attempts
- Treatment and Self-Help Groups
- Research Base and Research Agenda
- Conflict of Interests Resulting from Activities of the Gambling Industry
- Epidemiology
History and Background

- The historical development of gambling in G. characterized by compromises between efforts to restrict gambling while profiting from economic benefit at the same time.

- From the beginning, gambling was considered a moral and dangerous passion, particularly for people from lower-income classes.

- All casinos were closed by law in 1872 and prohibition was lifted by the National Socialists only in 1933.

- After World War II, in 1947/48, the first lotteries re-opened.
  - 1948: first sports bets were organized by the state.
History and Background (cont.)

- Protective efforts against disordered gambling have always been opposed by the financial interests of the state. This conflict persists to the present day.

- With a few exceptions, such as horse-race betting, providing gambling activities is illegal in Germany, subject to state monopoly, and possible only with state approval (§§284–286 German Criminal Code).

- The monopoly comprises casinos providing gambling on slot machines and table games such as poker, roulette and blackjack (with unlimited stakes, wins and losses, but obligatory identification/age verification), and the German lottery association offering, among others, different kinds of lottery, lotto tickets, scratchcards and bets on sports events.
History and Background (cont.)

- For the monopoly: provision and control of gambling is within the responsibility of each Federal State.

- In contrast, gaming machines (so-called ‘amusement machines with prizes’, but de facto a specific kind of slot machine) do not fall within the monopoly (Dual System).

→ Here starts the problem.
Prevalence

- Currently, there is widespread acceptance of gambling. Up to 80% of the German population has gambled in their life and about 50% within the last 12 months

- More to come when we get to Epidemiology
Problem Awareness

- After the introduction of PG as mental disorder into the DSM-III in 1980, problem awareness related to gambling increased in Germany.
- In the early 1980s, the first studies on gambling were conducted emphasizing, among others, the epidemiology of gambling on gaming machines and characteristics of gamblers, as well as gambling on gaming machines as cause of delinquency
  → e.g. Money laundry
Problem Awareness (cont.)

- At about the same time, demands for in- and out-patient treatment of PG increased and the first self-help groups were established.
- A milestone in the development of problem awareness in Germany was the recognition of PG as a disease in 2001 and the consequential covering of treatment costs by health and pension insurance.
Changes in form of Gambling

- Since World War II, protective measures were cut back and marketing strategies were extended by state as well as commercial providers

State Monopoly

- 1965, the drawing of lotto numbers live on national television introduced
- 1970s to the 1990s, restraints on stakes and wins reduced gradually
- 1999, sports bet with fixed odds (ODDSET) introduced
- 2000, this was the first gambling form offered online
- 2001, most state gambling forms could be participated in online
Changes in form of Gambling (cont.)

Commercial Gaming

- Gaming machines also expanded over the years
- From the mid-1970s onwards, technical features changed noticeably
- Duration of a game was shortened
- Higher stakes were possible.
- 1980s, a gaming machine gambling boom which persists until the present
Changes in form of Gambling (cont.)

Commercial Gaming

- Increase from 9,400 gaming machines in 1980 to 212,000 in 2009 (23 times more)
- The number of gaming machine outlets, concessions as well as machines per outlet also increased
- Growing commercialization in recent years
- Annual turnover increase of by 42.0% from 2005 to 2009 (€9.25 billion)
National Policy and Control Attempts

*Dual System*

(1) Gambling forms subject to the state monopoly and (State Monopoly)

(2) Gaming machines operated by commercial providers (Commercial Providers) also called “Amusement machines with prizes”
National Policy and Control Attempts …

State Monopoly

- Consumer protection measures
- Age restriction (being at least 18 years)
- Personal identification
- In light of increasing demands to prevent PG, prevailing regulations have undergone changes in recent years
National Policy and Control Attempts …

Politics and the Court

- Judgement of the German Federal Constitutional Court on the justifiability of the state monopoly in 2006
- The second amendment, the State Treaty on Gambling (STG) implemented in 2008

The decision of the German Federal Constitutional Court

- Prohibiting commercial providers contradicts the right of economic freedom
- Maintaining the state monopoly requires focusing on combating endangerments and the negative consequences of gambling
Aims of the State Treaty on Gambling (STG)
(a) to prevent the development of gambling disorder
(b) to limit the provision of gambling services
(c) to steer the natural gaming urge
(d) to impede a switch to illegal gambling activities, and
(e) to guarantee the protection of minors and gamblers

As a result
- Gambling advertisement as well as provision of internet gambling was prohibited
- Personal identification for gambling on state slot machines and some forms of lottery was established
National Policy and Control Attempts …

Commercial Providers (“Amusement machines with prizes”)

- In 2006, the Fifth Amendment of the German Gambling Ordinance (AGO) for commercial gaming machines
- Improving protection of minors and consumers, as well as enhancing economic conditions for commercial providers,
- De facto: it has liberalized game characteristics
National Policy and Control Attempts …

What has changes since?

Commercial providers

- Turnover of gaming machines increased from 2005 to 2009
- Among gaming machine gamblers increase in time spent gambling and amount of money at stake

State gambling

- the number of lotto retailers decreased from 24,464 in 2007 to 23,139 in 2009
- Turnover declined from 7,741 billion to 7,002 billion during the same time-period
National Policy and Control Attempts …

What has changes since?

State gambling

- A steep decline in turnover for casinos; from €10.900 billion in 2007 to €6.862 billion in 2009
- Reasons: stricter access control for gambling on slot machines.
- Sales figures indicate a decrease of 22.9% in overall annual gambling turnover from 2008 to 2009
- Recent research findings also point to decreased gambling participation after the STG, differing by gambling forms
National Policy and Control Attempts …

The European Union Court of Justice (ECJ)
- Criticized the gambling monopoly in 2010

Arguments were
- The monopoly’s preventive objective was not pursued in a consistent manner
- Commercial gaming machines with ‘a greater risk of addiction than games which are subject to that monopoly’ are tolerated
- The existing gambling legislation in Germany is contrary to the freedom to provide services and the freedom of establishment in the European Union (EU)
National Policy and Control Attempts …

As a consequence

- Revised STG became effective on 1 July 2012
- Allowing 20 nation-wide concessions for sports betting operators
- Partial liberalization of internet gambling
Treatment and Self-Help Groups

Treatment options for PG in health-care

- Counseling services have been expanded
- Addiction counseling services inform about treatment possibilities
- Allocating clients to appropriate treatment
- Nation-wide information concerning
  - health-care issues
  - Gambling telephone helpline
- National coordination centres for PG established
  - gather data on health-care services for PG
  - addresses of treatment providers, self-help groups, psychotherapists etc.
Treatment and Self-Help Groups (cont.)

Treatment options for PG in health-care

- Out-patient treatment in addiction counselling services by psychotherapists or psychiatrists
- In-patient treatment in clinics specialized for either addiction or psychosomatic disorders or in psychiatric clinics.
- Counselling services are offered and financed by state owned and social welfare organizations.
- Costs for psychotherapies and in-patient treatment are covered by either pension or health insurance (obligatory in Germany)
Treatment and Self-Help Groups (cont.)

A great variety of treatment options exists

- Special treatment options for specific subgroups of PG
- Females, individuals with migrant background or the elderly
- Treatment services are less prevalent in rural than urban areas, but Germany is highly urbanized
Treatment and Self-Help Groups (cont.)

In 2009, approximately
- 917 addiction counseling services (including psychiatric out-patient treatment centres)
- 197 in-patient treatment centres or outpatient day clinics were estimated to offer treatment for PG throughout Germany

In 2010, approximately
- 2% of patients in in-patient
- 5% in out-patient treatment were pathological gamblers
- 2–7% of all pathological gamblers in Germany are estimated to seek treatment in a given year
The majority of pathological gamblers in out-patient treatment are male
- On average 37 years old
- Highly burdened regarding their psychosocial situation
- In 2012 self-help groups listed in Germany: 176
Treatment and Self-Help Groups (cont.)

Effectiveness

- Little information exists on the effectiveness of treatment in Germany. According to German Addiction Treatment Statistics

- Approximately 55.6% of pathological gamblers in out-patient and 87.6% in in-patient treatment completed treatment as planned in 2009

- Based on the reports of clinical staff members providing out-patient treatment, treatment was effective with regard to reducing PG symptoms in 67% of patients
Treatment and Self-Help Groups (cont.)

Effectiveness

- Positive effects of multi-modal therapy in out-patient treatment concerning reduction of gambling and improved psychosocial adjustment were reported.
- Among in-patient treatment employing multi-modal intervention strategies, approximately 46.1% of patients (64.3% of follow-up responders) were found to be abstinent at 1–5 years follow-up.
- A recent study reported a significant decrease of psychological distress and gambling involvement after in-patient treatment at 6 months follow-up.
Treatment and Self-Help Groups (cont.)

Effectiveness

- 60.4% of patients were abstinent 6 months after out-patient multi-modal psychodynamic treatment with cognitive behavioural elements and 39.7% after in-patient treatment.
- No studies have yet been published concerning the effectiveness of pharmacological treatment of PG.
- Evidence is also scarce with regard to the effectiveness of self-help groups.
- Sound self-help evaluation and empirical treatment studies are urgently needed.
Research Base and Research Agenda

- Representative prevalence estimation studies in Germany have been conducted recently.
- At present, research focuses predominantly on the epidemiology of gambling behavior.
- Estimates for PG range between 0.2–0.5% of the German population (another 0.2–0.5% fulfilling three or four DSM-IV criteria).
- Greater risk for males, younger adults, individuals with a migrant background and gaming machine gamblers.
Research Base and Research Agenda (cont.)

Topics of research concern

- Risk potential of different gambling activities
- Consequences of legislative changes
- Biological, psychological and social factors and comorbid disorders associated with PG
- (Social) adverse effects of PG such as gambling-related crime
- Psychosocial burden or societal costs
- Use and effectiveness of different prevention (e.g. training of workers in gambling facilities, self-exclusion programmes in casinos) and intervention strategies (e.g. hotlines, counselling, in- or out-patient treatment)
Research Base and Research Agenda (cont.)

Research conducted on

- Methodological issues of gambling assessment, e.g. recruiting participants based on mobile samples
- Gambling patterns

Less research is conducted on

- Gambling in adolescents
- Etiology
- Mechanisms associated with the development, maintenance and cessation of PG
- Classification of subclinical cases
Research Base and Research Agenda (cont.)

Future topics
Gambling behaviour and disorder in Germany might change in future years as new gambling regulations are forthcoming

- Potential developments need to be monitored and evaluated regarding the effectiveness of the new regulations in preventing PG
- Longitudinal studies are required to assess the impact of various individual, interpersonal and environmental risk and protective factors on the development of gambling disorders
Conflict of Interests Resulting from Activities of the Gambling Industry

Similar to the alcohol and tobacco field, prevailing conflicts in the gambling field arise from contrasts between financial interests and the ‘public good’ as represented and enforced by the authorities.

However, in the German gambling regulation system, these authorities are also:

- Providers of the majority of gambling activities
- Their own regulatory agency; and
- Supervisors of diverse commercial providers
Thus, the responsibility for preventing PG is assigned to those who create preconditions for PG by offering, regulating and supervising gambling.
Conflict of Interests Resulting from Activities of the Gambling Industry (cont.)

This system causes a complex combination of competing interests on different levels:

- (i) within State Governments because gambling opportunities (to increase profits) and prevention measures (to meet court orders for maintaining the state monopoly) are in the same hands
- (ii) between the Federal Government and State Governments, being competing supervising agencies
- (iii) between commercial providers and State Governments concerning economic interests in gaming machines and internet gambling
- (iv) between State Governments and the EU regarding criteria to maintain the gambling monopoly
Conflict of Interests Resulting from Activities of the Gambling Industry (cont.)

Further difficulties are associated with the lobbying of the commercial gaming industry

- As opponents of the monopoly, they advocate liberalization of the gambling market by arguing that the monopoly hampers competitive access to a market that can as well be served by private operators
- The fight for liberalization of the gambling market is carried out by means of press releases and other forms of media statements
- In order to gain political support for their interests, commercial operators also take advantage of the legal possibility of donating money to political parties
<table>
<thead>
<tr>
<th>Glücksspielgruppen/ einzelne Glücksspiele</th>
<th>Bevölkerungsattraktivität Lebenszeitprävalenz (%)</th>
<th>Bevölkerungsattraktivität 12-Monats-Prävalenz (%)</th>
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</thead>
<tbody>
<tr>
<td>Lotto</td>
<td></td>
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<tr>
<td>Lotto/Totto/Keno</td>
<td>60,0</td>
<td>36,0</td>
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<tr>
<td>Rubellose</td>
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<td>9,5</td>
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<td>Lotterien</td>
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<tr>
<td>Fernsehlotterie</td>
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<td>9,8</td>
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<td>Klassenlotterie</td>
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<td>4,7</td>
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<td>Sportwetten</td>
<td></td>
<td></td>
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<tr>
<td>Annah mestellen</td>
<td>4,7</td>
<td>2,8</td>
</tr>
<tr>
<td>Internet</td>
<td>2,2</td>
<td>1,6</td>
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<td>Pferdewetten</td>
<td>3,6</td>
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<td>Spielcasino</td>
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<td>Kleines Spiel</td>
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<td>Großes Spiel</td>
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</tr>
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<td>Internetkartencasino</td>
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<td>0,4</td>
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<td>Geldspielautomaten</td>
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<td>Illegales Glücksspiel</td>
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<td>Alle Glücksspiele</td>
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### Epidemiology (cont.)

<table>
<thead>
<tr>
<th>Art und Frequenz des Glücksspiels</th>
<th>Diagnose PG (%)</th>
<th>1-4 Diagnosekriterien PG (%)</th>
<th>0 Diagnosekriterien PG (%)</th>
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<tbody>
<tr>
<td>Spielfrequenz</td>
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<tr>
<td>≥ einmal die Woche</td>
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<tr>
<td>Mehrfachspielen</td>
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<tr>
<td>&gt; Mehr als ein Glücksspiel</td>
<td>81,1</td>
<td>78,7</td>
<td>34,5</td>
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<td>Glücksspielpräferenz</td>
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<td>Sportwetten</td>
<td>25,7</td>
<td>7,7</td>
<td>3,1</td>
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<td>Spielbanken</td>
<td>9,8</td>
<td>11,0</td>
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<td>Internetglücksspiel</td>
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<td>3,4</td>
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<tr>
<td>Geldspielautomaten</td>
<td>49,9</td>
<td>4,4</td>
<td>1,2</td>
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<tr>
<td>Illegales Glücksspiel</td>
<td>0,0</td>
<td>1,6</td>
<td>0,5</td>
</tr>
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</table>
### Epidemiology (cont.)

<table>
<thead>
<tr>
<th>Land</th>
<th>Pathologisches Glücksspielen</th>
<th>Problematisches Glücksspielen</th>
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</thead>
<tbody>
<tr>
<td>USA</td>
<td>0,1 - 2,1</td>
<td>0,4 - 3,6</td>
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<tr>
<td>Kanada</td>
<td>0,5</td>
<td>1,5</td>
</tr>
<tr>
<td>Australien</td>
<td>2,1</td>
<td>2,8</td>
</tr>
<tr>
<td>Großbritannien</td>
<td>0,3 – 0,8</td>
<td>0,3 – 1,4</td>
</tr>
<tr>
<td>Niederlande</td>
<td>0,3</td>
<td>0,6</td>
</tr>
<tr>
<td>Deutschland</td>
<td>0,2 – 0,6</td>
<td>0,2 – 0,6</td>
</tr>
</tbody>
</table>
Verteilung der Spieler in Behandlung
(in Prozent; Versorgungsstudie Bayern, n=468, unveröffentlicht)

- Pferdewetten: 0,4%
- Roulette/Automatenspiel (Internet): 1,7%
- Kartenspiele/Poker (Internet): 4,2%
- Kleines Spiel: 4,9%
- Geldspielautomaten: 75%

Epidemiology (cont.)
Thank you very much for your attention