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GAMBLING IN GREECE AND ITS INTERNET DIMENSION

Gambling is an important part of the economic activity in every country. In Greece, the gambling industry is estimated to 3.5% of the GDP. The 30% of this amount is illegal gambling. During this discussion, Greece is trying to regulate the gambling industry and especially the internet gambling through proper legislation in order to raise revenue protecting though the society from the possible implications. This article illustrates the current situation of gambling industry in Greece and compares it with other countries. Furthermore, it relates the success of the internet gaming to the internet percentage penetration, presents the e-commerce dimension and provides potential social impacts.

Introduction

The gambling industry constitutes a significant part of the economic activity of every country. Regarding the European Union (EU), in Great Britain the total amount of money wagered exceeded the 11 billion €, in Germany the 8.4 billion €, in France the 7.6 billion € and in Italy the 6.2 billion €, as of 2010. Moreover, proportionally to the population, Ireland has the lead with 279€ per player annually, followed by Finland with 239€, Luxembourg with 194€, Great Britain with 181€ and Sweden with 176€ [1].

In Greece, according to the Constitution of the Organization of Football Prognostics (OPAP S.A.) the corresponding revenues through legal gaming are estimated to 5.2 billion € while there are about 2.8 billion € played on illegal internet gaming [2]. Conclusively, there is an overall of 8 billion € played on gambling in Greece which corresponds approximately to 3.5 % of its GDP. This estimation is astonishing compared to the other countries because it leads to the conclusion that every Greek stakes about 800€ per year, much more than those mentioned above.

There are currently more than 2240 gambling sites which belong to 637 different companies. In this number, there are included 644 casinos, 452 sites for poker, 404 for sports betting, 377 for bingo, 96 for lotteries, 41 sites for skill games and the rest of them are games such as backgammon, ramié and various other games.

The first countries regarding the number of sites for online gaming is Costa Rica with 382, Antigua and Barbuda 366, Kahnawake Mohawk Territory in Quebec 344, Netherland Antilles with 334, Gibraltar with 170, United Kingdom with 103, Malta with 87 and finally Belize with 55 gambling sites [3].

The highest participation rates in the Internet gambling in 2010 belong to the United Kingdom and Sweden with about 11% while in other Western countries the rates vary from 1% to 7%. In countries where the online gambling is legal, such as the United Kingdom and Sweden, the rise of participation is higher than in the countries where the online gambling has not been legitimized yet for example the U.S. or Canada, where the corresponding rates vary from 2 and 4% . In Europe, in 2006, the web gamblers were approximately 3.3 million with a participation of around 4.8 billion €. But the overall share of the global network gaming market is growing and it is currently estimated to be 7.1%.

There have been written hundreds of scholarly articles on Internet gambling, dealing with the issue from different perspectives. Most articles are focused on legal issues and the policy that should be implemented, followed by the articles that study the characteristics of the Internet players and the gambling addiction. According to their findings, the online gambling is mostly preferred by young, well educated men with dubious jobs. The main reasons are the ability to play anytime and anywhere, even through mobile phones, the easy access, the all sorts of bonuses and offerings available to players from the very first time, the variety of the offered games, the anonymity regarding the nearby social environment and the numerous alluring advertisements of these sites.

The main hesitation to participate in online gambling, for the 51% of the players [4], is the lack of confidence in the company and in the safety of transactions while a 49% doubted the legitimacy. Even worse, 55% of the Internet players believe that the companies deceive their players. Furthermore, 46% believe some players cheat by participating in the same Poker game more than once or by using technological means which provide them with the best moves. Nowadays, there are websites that have earned the trust of a large number of players and they have high levels of security transactions. These sites are characterized by a high security level, an excellent customer service, an excellent software quality and convenient ways to deposit and pay.

Each player creates his own account which is charged with the stakes and is credited with the potential profits. There are several options for funding the account, such as by bank transfer, credit cards, electronic wallets such as PayPal, Neteller and Moneybookers, by electronic checks and others. The winnings are distributed in a similar way. Some web sites make a minimum withdrawal from the account, for example 30 €, but may also charge a tax rate. The known web sites are concerned evenly safe both for these transactions and for the electronic commerce transactions.

Another issue related to the player's trust in the Internet gambling deals with the software used by the gambling companies. Essentially, is the software that determines the chances of winning, the game speed, the security and the integrity of the game. For these reasons, it is certified for its honesty by independent authorities. The company which uses this software has no access, nor can manipulate it since the software was not created by the company. The evolution of mobile phones enabled the development of mobile applications for internet gambling with the same efficiency. In addition to the above, for the participation in certain kinds of games, like Black Jack and Poker, online participation is required which is provided by this software which also has to exclude the exchange of information between participants.

The legalization of gambling on the Internet, like the other forms of gambling, increases government revenue through the taxation and the assignment of licenses to betting companies. The uncontrolled activity in the Internet gambling is associated with increased criminality because the rampant internet gambling offers opportunities for money laundering, which can be made either by players or the company itself. Some companies deceive players by not paying their benefits or misleading them.

The most popular games regarding internet gambling are bets on sporting events, online poker, casino games, betting on horse racing, lotteries, scratch cards and slot machines. The most popular form of financial transaction is the debit card.

The articles that deal with the players' addiction and the social impacts arrive at controversial conclusions. Some of them conclude that the online gambling worsens the problems of the addicted gambler, while others believe that the Internet simply gives the player more opportunities and that the medium itself does not create additional desire for wagering. There is only one study, which was conducted in Australia in 2003, that directly assessed the impact of internet gambling. This study concluded that about 50%

of internet gambling acts as a substitute for other forms of gambling. Players on the Internet are dealing with more types of gambling than the traditional direct game with teammates and opponents.

In the U.S., online gambling was for years one of the main issues. Recently, a law has been passed to manage with the problem which provides that companies with a history of violation of the relevant laws or established in states that violate the law will not be licensed. To protect the society, it is provided that online gambling is permitted to only those older than 21 years and that advertising on minors and gambling addicts is prohibited. Any company that violates the law will lose its license.

The government of the United Kingdom allows activity in some countries which recognizes that are able to ensure fairness for customers. Eventually, the British players can choose from a large number of companies while being protected by the world's rogue speculators based in countries with very loose legislation.

In France, Spain, Denmark, Italy and Cyprus online betting has been recently regulated by law allowing the operation of online gambling businesses. Also the Czech Republic, Slovakia and Slovenia have legalized the operation of proprietary network gaming companies. However, Poland, Hungary and Estonia oppose to this action. Russia bans completely all forms of gambling which involve financial profit. Statistics, however, show that this prohibition does not have the expected results since the Russians do visit foreign gambling sites on the Internet.

The European Union describes Malta as a "turning point of gaming in Europe." In 2008, Malta had 500 listed companies for web gambling, the highest number in the EU. The contribution of these companies was 7.82% of its GDP, 11 times the EU average.

The Greek case

In Greece, the Ministries of Finance and Marine established the "Lottery Office" in 1929. After many changes, this office now manages the "People's Lottery", the "National Lottery" and the "New Year's Lottery". In 2010, the revenues were 250, 130 and 60 million € respectively.

The General Secretariat of Sports created in 1959, through OPAP S.A., which is the main gambling association, a game betting on football results called Pro-Po. Today OPAP S.A. has developed many different games and its revenues in 2010 are shown in table 1 below.

Table 1

Revenues on gambling activities in Greece by OPAP S.A. (2010)

Type	Amounts in thousand of euro
PRO-PO	30635
STOIXIMA	2051786
PROPOGOAL	707
LOTTO	73326
PROTO	40748
JOKER	307087
EXTRA5	10940
SUPER3	41749
KINO	2583037
TOTAL	5140015

A serious problem to the country's finances is gambling on the internet, at foreign sites. Today, it is estimated that there are about 250 gambling sites in Greece. The 60 of them are translated into the Greek language. Through this betting, OPAP's revenues

decline and the state is not able to collect the corresponding taxes. OPAP S.A. estimates that Internet betting in 2010 was 2.8 billion €, more than 50% of its revenues.

The Greek legislation on gambling is among the strictest in the whole Europe. The government, in an effort to adapt to the EU legislation, discusses a relevant law that liberates and regulates the gambling market and specifically the online betting. Today, because the Greek legislation has not been adapted to the European, Greece pays a fine of approximately 11.6 million € annually [5].

Regarding internet betting, the law provides the licensing of 15 to 50 companies after an international competition. Websites are required to have their name ending in .gr. Also, the Gambling Control Commission (EEEEP), which is instituted, will define the technical characteristics of servers and gaming software to ensure the players' protection along with the protection of the public interest. The licensing of each company will bring in a minimum of 200,000 € and 30% of the company's gross profits [6].

For the control and collection of the corresponding taxes is provided the creation of an internet account for each player in which the stakes and the winnings, his financial transactions and the balance of cash amounts will be listed. With these data the state hopes to reduce the money laundering and to check all information on the taxation of profits.

For greater safety is provided that payments and yield of profit will only be made through financial institutions. It is required that the entrepreneur and the players maintain an account in a Greek financial institution. The player can not bet amounts greater than those available in this account.

Also the internet betting regulation ensures the protection of civilians, particularly adolescents and vulnerable groups. Therefore it is provided the issue of player's personal card where the age, Tax Identification Number, the movement of money and the participation time will be recorded.

Recent research [7] performed on adolescents in Athens found that about 15% of teenagers are playing online gambling games and that percentage is higher than in other European countries. Also 6.8% of adolescents often plays on the Internet that is comparable to that seen in young people in the U.S.. Furthermore, the number of teenagers involved in online gambling is significantly higher than the number of teens playing in the traditional gambling system.

The commercial success of online gambling in Greece depends on the spread and use of the internet. We should not ignore the fact that EEEEE requires that the site is in Greek which is an additional technical restriction on its utilization by foreign players apart from the Greeks. In addition, internet penetration in Greece [8] is only 46.2% and is not high compared to other European countries, when in Europe as a whole is 58.3% and 10 European countries exceed the 80%, nor the growth rate, about 400%, is high compared with other 6 European countries that have growth rates over 1100%.

Table 2

**Internet Gamblers Versus Non-Internet Gamblers
and Problem Gamblers Versus Non-Problem Gamblers on Gambling Activities.**

Type	% Internet Gamblers	% Non Internet Gamblers	% Problem Gamblers	% Non Problem Gamblers
Lottery	86,7	86,1	76,9	87
Horse race betting	60	38,3	69,2	49,6
Sports betting	75,2	29,3	73,1	40
Casino Gambling	65,7	28,6	88,5	35,4
Slot-Fruit Machines	55,2	56,8	80,8	54,5
Bingo	21	31,3	34,6	28,7

By the data on students of UK East Midlands university, [9] the relation between Internet gamblers and non Internet gamblers for each game is shown. The table lists only the most popular games in Greece. For the same games is also shown the relation they have to pathological gambling. The conclusion is that the games preferred by the Greeks have a higher preference percentage by Internet gamblers and have higher percentages in problem gamblers. These are elements that must trouble the state in regards to the social dimension of the spread of online gambling. A study documenting the views of citizens that the provincial government should do more to limit the negative side effects of problem gambling at a percentage approaching 85% [10] was conducted in Alberta Edmonton in Canada.

Conclusions

By the evidence cited above, the following conclusions are made:

1. Greece, like at least all EU countries, has to regulate online gambling soon. By this regulation, there is going to be significant revenue for the country along with the limitation of betting on foreign, suspicious sites. Furthermore, this arrangement will significantly reduce money laundering.
2. The legislation will protect significantly teenagers from uncontrolled underage gambling as well as the addicted gamblers from uncontrolled areas. As shown from Table 2 in conjunction with Table 1, there is the conclusion that the games preferred in Greece are those who prefer the Internet gamblers and the problem gamblers.
3. The supervision of the companies running in the country will protect the players from possible frauds by companies, other players or hackers. The companies that will be allowed to run will be certified by appropriate authorities and supervised by the authority of EEEP.
4. However, the online gambling is not bound to be as profitable as in other countries. It is possible that foreign companies will be more attractive to players, offering higher rates of return for the same chances of success, because Greek gambling companies will be charged with additional costs by the state. Consequently, although the market will be regulated, there will be not the desired effects on the players.
5. Clearly the issue is large and should be studied thoroughly from different perspectives, which has been done in other countries. The study should be many-sided and take into account the financial, the legal, social and even the technical issues relating to electronic transactions and protection against any kind of frauds.

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