

GAMBLING/LOTTERIES

PRO PUBLICO BONO

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**DO PEOPLE GAMBLE/PLAY LOTTERY
BECAUSE THEY WANT TO
GIVE TO PUBLIC BENEFIT?**

LOTTERIES PART OF OVERALL FUNDING SCHEME FOR NGOs.

Funding sources:

- Government funding
 - **Direct**
 - Indirect
- Own Income
- Philanthropy
- Foreign funding

Central level

- Ministries, parliament
- **Lotteries**
- Privatization proceeds
- National foundations/funds

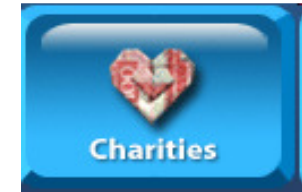
Local level

Examples of Models for Distribution of Lottery Proceeds





Racing for Charity



Hong Kong Jockey Club Charities Trust

- HKJC Largest taxpayer; biggest private donor; est. 1915.
- HKJC yearly surplus to charity and community projects
 - *Sports; recreation and culture; education and training; community services; medical and health*
- 51 NGOs get multi-year support
- scholarship fund, schools' projects, project for elderly, projects to support ppl with dyslexia
- In 2008/09, donated a total of HK\$1.37 billion (~ 130mil Euro) to 100 charities and community projects

FINLAND: Finnish Lottery for Finns

*“We offer high quality gaming entertainment reliably and responsibly, producing **each day over EUR 1,1 million** of lottery revenue for Finnish society”.*

- Veikkaus national betting agency owned by Gov't
- Contributes all proceeds to Finnish State
 - *In 2008 a total of EUR 407.9 million*
- Based on Funds Distribution Act Ministry of Education distributes to:
 - 46.4% Finnish arts
 - 25.5% sports
 - 18.9% science
 - 9.2% youth work

Beneficiaries

“Without an accurate and skillfully planned distribution of the euros lost on Veikkaus games, many pleasant things would be left undone and many unforgettable experiences would not come true”.

- individual artists, museums, theatres, Finnish National Opera
- recreational sports facilities, sports associations, sports research
- Academy of Finland for scientific research projects
- promotion of young people's involvement in citizen organisations and to leisure activities.

UK: Lottery Funders

- ❑ For every £1 on lottery tickets 28 p to good causes.
- ❑ Distributed by 14 orgs to:
 - *arts, charities and voluntary groups, heritage, health, education, the environment and sports.*
- ❑ 14p distributed by Big Lottery Fund
 - Non-departmental gov't body
 - health, education, environment, charity purpose
 - to private and public orgs, incl. charities
 - 2,3 million euro every 24 hours



CROATIA: Law on Games of Chance(2010)

- 50% of proceeds for programs of organizations
- Gov't adopts a decree on criteria and beneficiaries every year. In 2010:
 - 33.31% *sport*
 - 27.60% *problems and needs of people with disabilities*
 - **14,10%** **development of civil society**
 - 7.60% *fight against drugs and other types of addiction*
 - 6.80% *social and humanitarian activities*
 - 4.60% *culture*
 - 3.97% *technical culture*
 - 2,03% *out of institutional education and upbringing of children and youth*
- Distributed mainly by Ministries

Croatia, cont'd

14,10% development of civil society

- **96.65%:** through the Government Office for NGOs **to the National Foundation**, for the program “*Our contribution to the community*”.
<http://zaklada.civilnodrustvo.hr>
- 3,45% by Ministry of Foreign Affairs – programs of friendship societies of Republic of Croatia

Macedonia: Law on Games of Luck and Entertainment Games (1997)

- 50% from total revenues
 - programs of associations of disabled persons, sport and the Red Cross of RM
 - Funds between 60mil Denar (app.1mil Euro) , and 120mil Denar (app.2mil Euro)
 - Every year Gov't decision on % of distribution
- 4% tax on certain games, out of which:
 - 48% to sport facilities owned by state
 - 2% to a fund for fight against family violence

Post Code Lottery, UK: Lottery for charities

- Mission
 - *To raise funds for charities and to increase awareness for their work by organizing lotteries.*
- Charity lottery (society lottery); Licensed operator;
 - Ticket no. based on postcode + 3 digit no.
 - Prizes based on no. of tickes, not on players
 - Subscriptions
- Since 2005, 2.6mil euro raised



Funding scheme

- Out of £2 ticket → 40 pence for charity
 - *20% of total revenue*
- *Fields:* Children's Wellbeing, Poverty Relief, Nature and Wildlife Conservation, Community Development, Missing People
- Support to pre-selected charities
- The People's Postcode Trust England:
 - independent charity; provides financial support for projects; decisions by independent board.

Summary of key models

- ❑ Establishing Trust/Foundation to directly distribute proceeds
- ❑ Allocating money to support establishment of foundation/body to support CS development in general
- ❑ Directly allocating percentage of lottery proceeds (by Gov't, Ministry or Parliament)
- ❑ Subsidies (prescribed in law)
- ❑ Charity lotteries

Issues to consider

- ❑ Is there monopoly over the lottery/gambling?
 - Legal framework/licenses.
 - Can NPOs organize lotteries?
- ❑ How much NGOs get out of it?
 - NGOs not only ones receive funding
 - What fields of PB should be supported
 - Size of market/players
- ❑ Procedure
 - Criteria
 - Who decides (gov't, parl, or independent body)
 - Consistency (priorities changing every year)

Challenges

- ❑ Controversy over what is funded (gov't selecting projects close to its interest).
- ❑ Feelings of people: poor people pay, middle class wins (e.g., Opera).
- ❑ What is a best mechanism to connect player w PB issues at stake – creating feeling of giving and community involvement.

Powodzenia!



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