



EDF response to the Green Paper on on-line gambling in the Internal Market

July 2011

“In the development and implementation of legislation and policies to implement the present Convention, and in other decision-making processes concerning issues relating to persons with disabilities, States Parties shall closely consult with and actively involve persons with disabilities, including children with disabilities, through their representative organizations.”

Article 4 § 3 of the United Nations Convention on the Rights of Persons with Disabilities

List of contents

Introduction – EDF position	2
1. The UN Convention on the Rights of Persons with Disabilities	4
2. State operators and their contribution to the national budgets	5
3. Transparency	6
4. Cooperation with relevant actors	7
5. Conclusion	7
Acknowledgements	8
APPENDIX – About EDF and other documentation	8
<i>A.1 About EDF</i>	<i>8</i>
<i>A.3 Contact person at the EDF Secretariat:</i>	<i>8</i>

Introduction – EDF position

EDF welcomes the European Commission consultation on on-line gambling which, inter alia, addresses the role of gambling for the financing of benevolent and public interest activities. Indeed, specific sections of the Green Paper raise the matter of how revenue from gambling is channeled to good causes through revenue distribution.

Throughout the EU, revenue from gambling is used for the public benefit. For example, more than 20 billion Euros of gambling revenues from state lotteries in the European Union are used for funding of good causes and to the state budget¹. EDF understands that one billion out of that amount is used for direct investments for participation and inclusion of people with disabilities. These are the only figures available for one form of gambling but this amount is likely to be higher if other forms of gambling are taken into account.

European institutions have acknowledged the importance of gambling for social purposes, the European Council recognized that “contributions, in particular from state lotteries or lotteries licensed by the competent state authorities play an important role for society, via for example the funding of good causes, directly or indirectly where applicable and agrees that this specific role should be recognized in discussions at the European level”(para. 15 and 16)² The European Parliament considered that “profits from gambling should be used for the benefit of society, including rolling funding for education, health, professional and amateur sport and culture” (para.18)³

¹ According to The European Lotteries members’ information as reflected in “Money from State lotteries to society” March 2011

² Conclusions on the framework for gambling and betting in the EU member states 3057th COMPETITIVENESS (Internal Market, Industry, Research and Space) Council meeting Brussels, 10 December 2010

³ Integrity of online gambling: European Parliament resolution of 10 March 2009 on the integrity of online gambling (2008/2215(INI))

On-line gambling is a growing distribution channel for gambling activities (according to the estimates provided in the Commission's Green Paper, online gambling represented 7.5% of all gambling in 2008, the Green Paper notes that this figure is expected to double by 2013) The development of on-line gambling should be carefully monitored, mainly to minimize negative consequences such as gambling addiction. Given this likely growth in the future, it is of utmost importance that the revenue from this distribution channel is also allocated to public interest activities.

EDF takes this opportunity to give its perspective on this important consultation. EDF expresses the need to ensure that revenue from gambling, including on-line gambling, continues to be a tool for financing benevolent and public interest activities based on transparent and accountable rules.

The main conclusions of this position paper are:

1. The UN Convention on the Rights of Persons with Disabilities defines areas where equal rights for persons with disabilities' needs are stated. These areas should be considered as a public interest activity for the channelling of revenue from gambling, including on-line gambling.
2. State operators and their contribution to the national budgets: the principle of subsidiarity should be respected to ensure an appropriate sustainable funding schemes for activities linked to the social inclusion of people with disabilities and to ensure their participation in society. This should include as well the support of representative organisations of people with disabilities to ensure full participation in democracy.
3. Transparency: The re-distribution of revenues from gambling to public interest causes, including the decisions on budget allocation for the use of revenues for specific public interest causes should be transparent. Operators and governments should inform accurately on the use of gambling revenues. When commercial

communications display beneficiaries of gambling revenue, it is essential that this portrayal does not go against the human rights approach of disability and does not present people with disabilities as a social group dependent on charity.

4. Cooperation with relevant actors: representative organizations of people with disabilities should fully participate in the prioritization of the revenue that is used for public interest activities affecting them.
5. State operators and governments should ensure that revenues from gambling are not spent on programs or investments that create obstacles for inclusion of persons with disabilities.

This position pertains to questions 25, 38, 39, 45 and 49 of the Green Paper.

1. The UN Convention on the Rights of Persons with Disabilities

The UN Convention on Rights of Persons with Disabilities (UNCRPD) has consolidated the human rights approach to disability and has become a legally binding document for 18 EU member states and the European Union (by July, 2011). Implementation of the UNCRPD has become a matter of public interest and requires sustainable funding.

The revenue channelling from gambling services should contribute to promote the rights of persons with disabilities and not to reinforce charitable approaches to the needs of people with disabilities.

EDF proposes the European Commission to issue a study on how revenue from gambling is channelled to good causes and public interest activities through revenue redistribution.

Sustainable funding that helps to achieve full inclusion is very distinct from 'advertising' and 'sponsoring'. It is important to highlight that funding should be beneficial to persons with a disability rather than a means of enhancing the 'image' of a given company within the framework of its CSR policy, where inclusion projects only receive funding when this is beneficial to the company's commercial position.

It is important to highlight that the funding to support public interest activities could be shared equally between project funding and core funding of activities of organisations **of** persons with disabilities. Concrete activities to be funded through project funding could address areas such as employment, education, social inclusion and accessibility. Funding of core activities of organisations of persons with disabilities could enhance their advocacy activities, political participation, training, membership activities, international participation and so on. The support to the activities should respect independence of organisations and their long lasting and efficient activities. Solid and lasting funding produces continuity in the political participation of persons with disabilities.

2. State operators and their contribution to the national budgets

Although state lotteries contribute directly to activities that, inter alia, promote the inclusion of disabled people in society, it is clear that the revenue from gambling represents an important part of the revenue that allows national governments – in particular in economic hard times – to finance public interest activities such as activities and infrastructure that improve the inclusion of persons with a disability in society.

A substantial part of the funding for associations of persons with disabilities in the EU originates from funding through gambling, in particular by state lotteries.

It is important to maintain – and increase- the sustainable support from gambling revenue to finance public interest activities in the inclusion activities for people with disabilities as well as for organisations of people with disabilities in countries where the system works in this way.

3. Transparency

Transparent mechanisms are needed to ensure appropriate use of gambling revenues. As mentioned above, the use of revenues requires monitoring from civil society organizations to ensure that funding for public interest activities affecting them is used in a manner that benefits them.

When information is provided on the channeling of revenue from gambling activities to public interest causes in the disability field, it is of utmost importance that an adequate portrayal of people with disabilities is ensured.

Transparency in the allocation of revenue is not the same as advertising with 'good causes'. When gambling operators communicate about the allocation of revenue to 'good causes', it is essential that these causes de facto substantially benefit from the revenue generated by the operator. EDF is aware of e.g. a small-scale commercial lottery organised by a private company that advertises that the proceeds benefit persons with disabilities to an amount that is greatly disproportionate to the amount that de facto is returned for the benefit of disabled persons. Transparency in provision of information should not be misunderstood as a strategy to advertise for on-line gambling.

It is important that gambling operators were submitted to accountability from public authorities and from society that benefit from actions funded through gambling revenues.

Finally, more information through studies and research on the redistribution of gambling revenues would benefit transparency.

4. Cooperation with relevant actors

Cooperation with relevant actors should also include the participation of representative organizations of people with disabilities in the decisions for channeling on gambling revenues (this could be ensured through inclusion of this requirement for cooperation with relevant actors in the statutes of lottery operators)

Organisations should participate in the decision of the allocation of money that is dedicated to the social inclusion of people with disabilities and to support their participation. This participation should be done in compliance with article 4.3⁴ of the UNCRPD. The future debate between the European Union and member states should include this principle.

5. Conclusion

EDF asks:

- ⇒ The European Commission to ensure that the revenue from gambling is used for the public benefit ensuring that the UNCRPD is part of this benefit. The public utility model that state lotteries represent can be maintained
- ⇒ To encourage higher transparency in the allocation of revenue from gambling to public interest activities
- ⇒ The European Commission to encourage Member States to have sustainable stream of revenue from gambling to organisations of persons with a disability and actions that benefit persons with a disability.
- ⇒ To ensure involvement of organisations of persons with disabilities in the decisions concerning them with regard to the distribution of funding deriving from gambling.

⁴ *“In the development and implementation of legislation and policies to implement the present Convention, and in other decision-making processes concerning issues relating to persons with disabilities, States Parties shall closely consult with and actively involve persons with disabilities, including children with disabilities, through their representative organizations”*

- ⇒ To ensure that no more barriers for people with disabilities are built with revenues from gambling.

Acknowledgements

This position paper has been prepared in consultation with all EDF membership.

APPENDIX – About EDF and other documentation

A.1 About EDF

The **European Disability Forum (EDF)** is the European umbrella organisation representing the interests of 80 million persons with disabilities in Europe. The mission of EDF is to ensure disabled people full access to fundamental and human rights through their active involvement in EU legislative and policy development as well as its implementation in the European Union.

A.3 Contact person at the EDF Secretariat:

Javier Güemes, EDF Acting Director, javier.guemes@edf-feph.org

More information about EDF is available on the EDF homepage at: www.edf-feph.org
Should you have any problems in accessing the documentation, please contact the EDF Secretariat. (T: +32-2-282.46.00)