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FRIDAY, DECEMBER 27, 2013

Many feel gambling deals Italy losing hand

PAVIA, ITALY

Games grow popular, but many social costs take toll on the people

BY ELISABETTA POVOLEDO

Renowned for its storied universities and a celebrated Renaissance monastery, this Lombardy town 25 miles south of Milan has in recent years earned another, more dubious, distinction: the gambling capital of Italy.

Slot machines and video lottery terminals, or VLTs as they are known, can be found all over in coffee bars and tobacco shops, gas stations, mom-and-pop stores and shopping malls, not to mention 13 dedicated gambling halls. By some counts, there is one slot machine or VLT for every 104 of the city's 68,300 residents.

Critics blame the concentration of gambling machines for an increase in chronic gambling — and debt, bankruptcies, depression, domestic violence and broken homes — recorded by social workers in Pavia. But in many ways, Pavia is merely the most extreme example of the spread of gambling throughout Italy since lawmakers significantly relaxed regulation of the gambling industry a decade ago.

In that time, Italy has become largest gambling market in Europe, and the fourth-largest in the world after the United States, Japan and Macau.

Now, some Italians, here and elsewhere, say they have had enough. In October, Lombardy became the sixth region to pass new legislation attempting to curb gambling and to assist addicts. Dozens of municipalities have also drafted measures to limit gambling, like reducing opening hours.

The explosion of gambling "is devastating the territory," said Simon Feder, a psychologist who founded a "no-slot" protest movement in Pavia that aims to ban the machines from public spaces. "It is an anti-economy that impoverishes because it doesn't spread money around, it just gobbles it up."

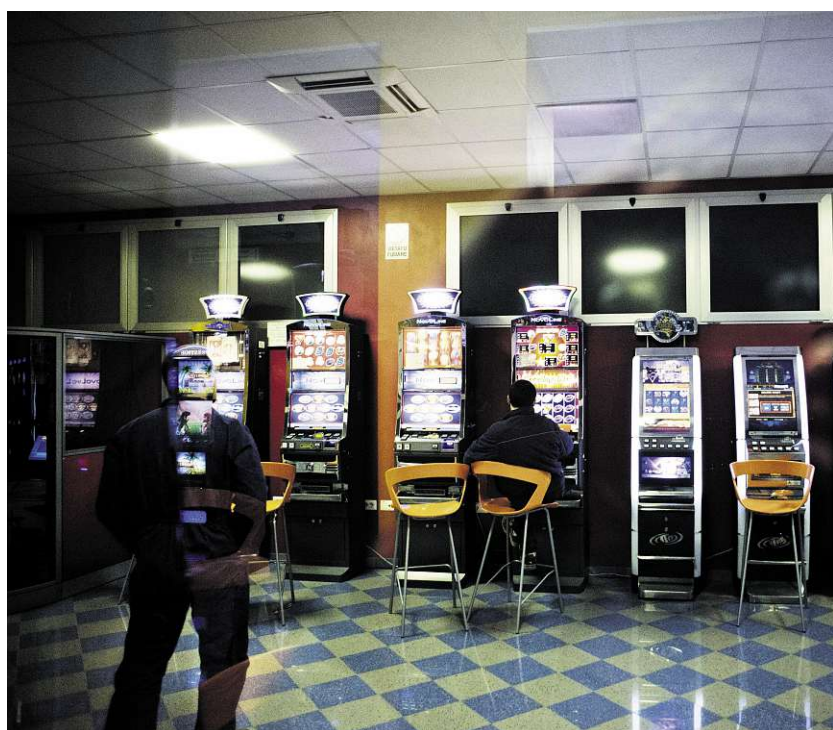
With the economy still weak, spending on gambling, like other consumer spending, shrank this year, for the first time, but it was still projected to reach 85.4 billion euros, or \$117 billion, for 2013. On average, one in every eight dollars spent by an Italian family goes toward gambling, four times more than 15 years ago, said Maurizio Fiasco, a sociologist with a national commission that combats usury.

Residents of Pavia province, nestled in a wealthy region, spend about €3,000 a year on gambling, more than double the national average of €1,200, according to a report issued in December by the gambling news agency Agimeg. Many blame the sheer availability of the machines for the rising trends.

"There's no longer a distinction between gambling and life," Mr. Fiasco said. "There is no separate space for gambling — it is everywhere."

The new attempts to rein in the machines have put myriad municipal and regional governments, which deal more

ITALY, PAGE 3



A gaming room in Pavia. Slot machines and video lottery terminals, or VLTs as they are known, can be found all over in coffee bars and tobacco shops, service stations and malls.



A sticker encouraging an end to slot machines. Italy has become the largest gambling market in Europe, and the fourth-largest in the world after the United States, Japan and Macau.

Abe's visit to war shrine draws swift rebukes

TOKYO

BY HIROKO TABUCHI

Prime Minister Shinzo Abe of Japan visited a contentious Tokyo war shrine early on Thursday, provoking swift condemnation from China and South Korea, both victims of Japan's wartime aggression.

Mr. Abe's visit to the Yasukuni Shrine, which honors Japan's war dead, including Class A war criminals from the World War II era, came at a tense time. Japan is already involved in a standoff with China over control of uninhabited islands in the East China Sea and over a new air defense identification zone announced by China that includes airspace over the disputed islands. It is also embroiled in a dispute with South Korea over separate islets.

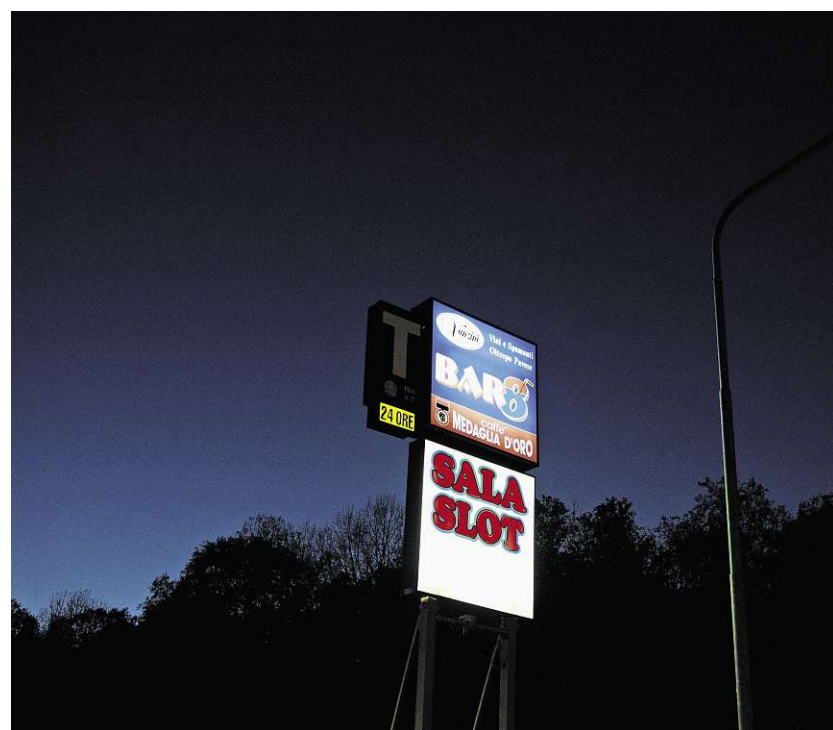
Wearing formal attire and followed by



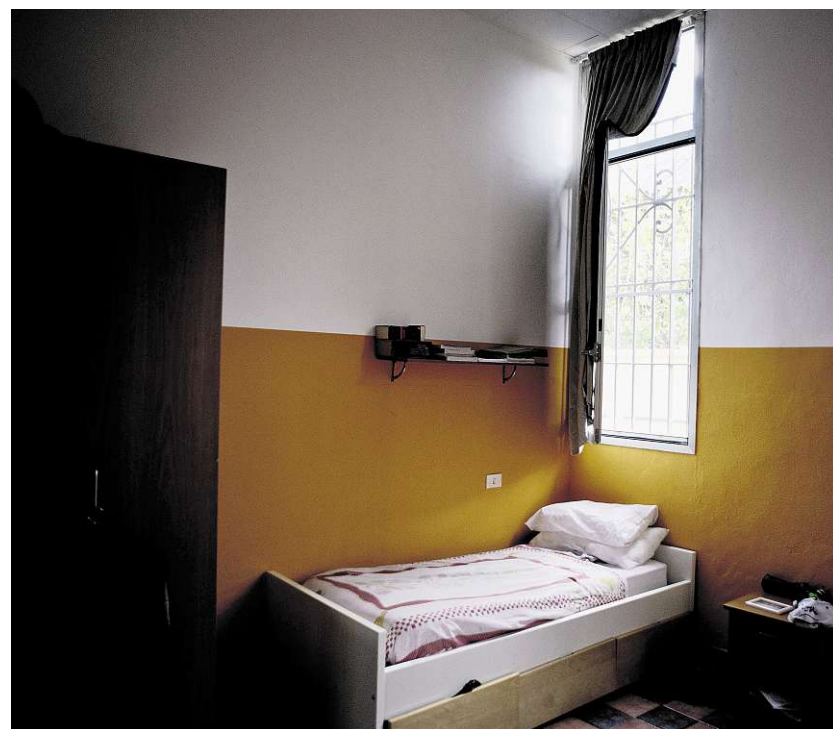
Prime Minister Shinzo Abe, in Tokyo on Thursday, said he had prayed for peace.

news media helicopters that streamed his visit live on television, Mr. Abe led a group of government officials into the shrine in central Tokyo to pay his re-

JAPAN, PAGE 6



On the outskirts of Pavia, a sign at a gas station indicating a bar and slot machines. By some counts, there is one slot machine or VLT for every 104 of the city's 68,300 residents.



A room at the Casa Del Giovane, a rehabilitation center for drug and gambling addicts in Pavia. Spending on gambling in Italy is projected to reach 85.4 billion euros for 2013.

Egypt crackdown hardens after new edict is issued

CAIRO

BY KAREEM FAHIM AND MARY EL SHEIKH

The Egyptian government's long-running conflict with the Muslim Brotherhood appeared to enter a new phase on Thursday, a day after the military rulers labeled the country's most prominent political Islamist movement a terrorist group.

Under the new designation, which criminalizes membership and support for the Brotherhood's activities, 16 backers of the group were arrested and accused of belonging to a terrorist group. The charge carries a five-year prison sentence, according to the state news media.

Analysts said the designation paved the way for the most severe repression

of the group in decades and threatened to deepen a bloody civil conflict.

Also on Thursday, four other people were arrested in the southern city of Aswan, because the Brotherhood "relied on them for distributing publications and inciting demonstrations," according to Al-Ahram, the flagship state newspaper.

The authorities also shut down 59 nongovernmental organizations that they deemed affiliated with the Brotherhood in Kafr el-Sheikh, and were investigating more than 100 others, Al-Ahram reported. The Brotherhood presides over a vast social services network that has fed its popularity by providing services previously unmet by the government.

The designation came after fears grew that militants were broadening a monthlong campaign of attacks that

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China finds addiction to cheap loans hard to kick

HONG KONG

Its pledge to tamp down shadow banking runs into entrenched interests

BY NEIL GOUGH AND KEITH BRADSHAW

China's financial system is in danger of becoming too big to bail out.

Official bank lending has more than doubled since the global financial crisis, growing nearly twice as fast as the overall economy. But the even bigger prob-

NEWS ANALYSIS

lem appears to come from the rise of a shadow banking system that has allowed a number of companies and individuals, often with political connections, to borrow from state-controlled banks at low interest rates and relend the money at much higher rates to private businesses desperate for credit at almost any price.

In an effort to wean the economy from its addiction to such risky growth, Beijing has pledged to deliver what amounts to the country's most sweeping financial overhaul in decades.

But already the effort is producing turbulence in money markets and threatens to trigger a backlash from powerful vested interests in China, particularly large borrowers accustomed to paying very little for their loans.

The promise for change came last month after a plenum meeting of the Communist Party leadership, when policy makers promised that markets would play the "decisive" role in directing the economy. Interest rates are to be liberalized, cross-border investment will be welcomed, and regional and bureaucratic protectionism will be curtailed, they declared.

"It's been pretty clear since June, and especially clear since the plenum, that the new crowd is interested in tightening monetary policy and letting interest rates rise," said Arthur Kroeber, the Beijing-based managing director of Gavekal Dragonomics, an economic research firm. "The purpose is to reduce the rate at which credit is expanding, which has been a bit of a problem over the last couple of years."

The move is already running into strong headwinds.

China has experimented twice this year with much higher, market-driven interest rates. As with a similar experiment in June, the central bank allowed rates to soar late last week and early this week. Instead of regularly scheduled open-market operations, the bank tried out unconventional methods of guiding money markets.

The central bank used posts on China's Twitter-like social messaging service, Sina Weibo, to chasten banks to "make rational adjustments to the structure of their assets and liabilities, and improve their liquidity management using a scientific and long-term approach."

But as in June, the experiment did not last long. On Tuesday, the central bank, the People's Bank of China, provided the bank-to-bank lending market with

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INSIDE TODAY'S PAPER



TAKING COVER Police officers in Bangkok held damp cloths over their faces on Thursday after protesters threw back canisters of tear gas during clashes. WORLD NEWS, 6

Turkey removes graft prosecutor

The prosecutor later accused the government of Prime Minister Recep Tayyip Erdogan of interfering in the judiciary and preventing him from carrying out his work. WORLD NEWS, 3

Restless Bulgarians look abroad

As labor restrictions ease within the European Union, more Bulgarians may seek to make their fortunes outside the struggling country. BUSINESS, 14

Start-up spirit emerges in Japan

Hundreds of technology-related firms have sprung up, shaking up a hidebound corporate culture and kindling hope for a sluggish economy. BUSINESS, 15

Don't trash Colombia's democracy

For arbitrary political reasons, and under an absurd pretext, one man wants me out as mayor of Bogotá, Gustavo Petro Urrego writes. OPINION, 8

ONLINE AT INYT.COM

Choosing to be naughty

A new \$6 million ad campaign from Equinox fitness takes the unusual approach of saying that getting in shape may get you in trouble. nytimes.com/media

Round-the-clock video giddiness

Pharrell Williams's video "Happy," moving through the day in real time, follows a cast of hundreds as they dance through Los Angeles. inyt.com/arts

Documenting the world since 1888

A new book collects images from the round-the-globe travels conducted for National Geographic magazine. A selection of photos: lens.blogs.nytimes.com

Indian politician avoids charges

A court declined to prosecute Narendra Modi over deadly riots in 2002 in Gujarat State, but the government is now investigating him in an another, unrelated case. nytimes.com/asia

NEWSSTAND PRICES

Andorra € 3.00	Bulgaria € 3.55	Denmark Dkr 25	Gibraltar € 1.35	Lithuania € 4.00	Norway Nkr 28	Saudi Arabia SR 13.00	Turkey TL 5.00
Austria € 3.00	Canada Cdn 3.50	Ecuador \$ 3.35	Hungary HUF 700	Latvia € 3.00	Switzerland Sfr 3.50	South Africa R 15.00	Ukraine UHr 5.00
Belgium € 3.00	Chile PCh 1.50	France € 3.00	India INR 110	Lebanon Llb 1,500	Malaysia MYR 3.00	Maldives Mv 10.00	United Arab Emirates AED 12.00
Brazil R\$ 10.00	Colombia Cpl 1,875	Germany € 3.00	Japan JPY 110	Mexico MXN 16.00	Norway Nkr 28	Peru S/ 3.00	Venezuela VES 2.75
Canada Cdn 3.50	Czech Rep CZK 20	Greece € 3.00	Korea KRW 110	Nicaragua Cc 130	Poland Zl 3.00	Qatar QR 2.00	United States \$ 3.00
Costa Rica Cc 200	Croatia HRK 100	Denmark Dkr 25	Latvia € 1.35	Pakistan PKR 100	Romania Lei 11.50	Spain € 3.00	Other USD 2.00
Cuba CUP 24	Cyprus € 3.00	Ecuador \$ 3.35	Hungary HUF 700	Sri Lanka Lk 100	South Korea KRW 110	Sweden SEK 2.50	U.S. Military Europe USD 1.75
Czech Rep CZK 20	Denmark Dkr 25	France € 3.00	Germany € 3.00	Thailand THB 30	Taiwan NT 30	The Netherlands € 3.00	

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CURRENCIES NEW YORK, THURSDAY 12:30PM

▲ Euro	€1=	\$1.3690	\$1.3680
▲ Pound	£1=	\$1.6420	\$1.6350
▼ Yen	¥1=	¥104.710	¥104.360
▼ S. Franc	\$1=	SF0.8960	SF0.8950

Full currency rates Page 17

STOCK INDEXES THURSDAY

▲ The Dow 12:30pm	16,428.29	+0.43%
— FTSE 100	6,694.17	closed
▲ Nikkei 225 close	16,174.44	+1.03%

OIL NEW YORK, THURSDAY 12:30PM

▲ Light sweet crude	\$99.53	+\$0.37
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International New York Times

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MADRID, April 10, 2014

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