

Impact of Betting Legalization in India

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Abstract

Betting and gambling industry is growing at a fast pace throughout the global economy and is one of the most evergreen industries of the world. In India there is clear evidence of a vast illegal betting and gambling industry functioning for decades. Sports betting being the most popular among Indians, various cases of match fixing scandals have been reported over the years. The government of India has always taken a regressive stance when it comes to legalization of betting and gambling activities. However, legalization of betting and gambling activities will increase the regulatory control of government on the industry which might solve a host of problems for the Indian betting industry and Indian economy as a whole. In this research study we try evaluating the impact of betting and gambling legalization on the Indian economy. The initial part of our research focuses on understanding the overall demographics of the global betting and gambling industry. Further we proceed by estimating the turnover of the betting and gambling industry if legalization takes place. We then applied this turnover to evaluate the economic impact of legalization on the Indian economy. Lastly, we suggest a regulatory model for India if legalization takes place. Our results suggest that the Indian betting and gambling industry could become one of the largest in the world if legalization takes place. Further, legalization of betting and gambling activities will lead to a substantial increase in the GDP as well as the tax collection.

I. INTRODUCTION

The gambling and betting industry has been rapidly expanding across the globe, with various regions experiencing significant growth in recent years. This research paper aims to provide an overview of the gambling and betting market in North America, Latin America, Middle East & Africa, and Asia Pacific regions. The paper highlights various reasons about how the popular forms of betting and gambling are contributing to the economy of the particular region. It mainly focuses on GDP growth, Turnover projections and Tax revenue collection if betting and gambling is legalized in India. Further, it explains the various betting and gambling regulations around the world and in India. The paper advises on the regulations that need to be introduced in India keeping in mind the mental health effects it has on people.

Betting and gambling in India have a complex legal landscape. There are numerous rules and regulations governing betting and gaming in India, both at the federal and state levels. The Public Gambling Act of 1867, which forbids the operation of any public gambling house or casino, is the main federal law that regulates gaming in India. However, because online gambling is not covered by State legislation.

Gambling (and that too only specific varieties) is only permitted in a few of India's 29 states and 7 union territories today. The lottery, horse racing, some card games, and casinos are the only types of gambling

that are permitted in India. In 12 states and 5 union territories, lotteries are tolerated; they are illegal in the remaining states. Six states allow horse racing, while two states allow casinos. In India, fairs and festivals are other well-liked venues for both legal and illegal gambling. (George et al., 2020)

Despite the legal ambiguity surrounding gambling and betting in India, the sector is nevertheless expanding. Online betting sites like Betway, Bet365, and 10Cric have grown in popularity recently, particularly among young people. India's online gambling sector is projected to be worth billions of dollars, and it is anticipated to expand over the next several years.

II. RESEARCH PROBLEM

Understanding the impact of legalization of betting and gambling activities on India from an economic and financial viewpoint.

III. LITERATURE REVIEW

Global Sports Betting & Lotteries

The study aims at giving a comprehensive overview of the global sports betting and lotteries industry. No detailed study has been conducted on how the covid 19 has impacted the industry and what the industry has to offer to the world economy in the coming years (2022-2027 is the focus period). The first section of the report gives a glance on the current situation and future trends of the market as well as the covid 19 impact, it gives details about different segments, regions etc. Further it identifies the external drivers and demand determinants majorly affecting the global turnovers which are further used to predict turnovers for the focus period suggesting the growth dynamics about each segment as well as the overall industry trend. The study further analyzes some technical aspects of the industry such as the operating conditions, competitive landscape of major companies etc. Finally, the report is concluded with some key statistics for the global industry of sports betting and lotteries.

The research thus provides details about the future trends of the industry by providing accurate inflation adjusted forecasts, the factors influencing the growth, which segments provide the most potential for growth, which are the major growing regions etc. (June, 2023)

Economic Impact of Legalized Sports Betting

The study aims at assessing the impact of betting legalization on the USA. The American Gaming Association commissioned Oxford Economics to analyze the potential economic impacts of legalized sports betting in the US. In order to regulate betting in the US and to induce a shift from illegal betting activities towards legal betting activities it was necessary to first analyze a holistic view of how the legalization of betting impacts other economic factors like tax collection, employment, income, GDP etc. The report first predicts gaming revenues of different states based on comparables and previous studies on illegal sports betting activities. Further some financial models and economic models are developed based on the information provided by the industry experts using various software in order to model out the various impacts of the process. Three regulatory scenarios with three different tax rate scenarios were considered to find out the impact in different scenarios. The study provided detailed results and statistical estimates of the contribution of sports betting towards fiscal taxes, employment, GDP etc. The study was considered as the base for designing the regulatory model of sports betting by the American Gaming Association. (Economics, 2017)

The Impact of Legalization on Illegal Gambling Participation

There is always a great debate on whether legalization of betting and gambling activities leads to a decrease in illegal gambling activities or not. This study works on the problem to find out whether legal and illegal gambling are substitutes or complements. To analyze the same the research considers averages of illegal betters in states of US where betting is legal and compare them with the averages of where betting is illegal. The study further aims at analyzing the behavioral factors affecting participation in illegal betting. At first the results show that legalization of betting and gambling activities tends to promote illegal betters, however there are various other factors influencing the participation. To analyze the same the research developed a multivariate model considering a host of other variables and then used the model to determine the actual impact of legalization by eliminating the impact of extraneous variables. The results show a very different picture. participation in illegal betting activities is lower than expected after legalization. The results are further confirmed by analyzing the preexisting data of Nevada the only state where legalization was legal in the US, the analysis confirms their results to a satisfactory extent. (Hybels, 1979)

The impact of legalization of sports gambling

This research paper has conducted a study on the correlation of motivation, fandom and gender on sport related consumption. A set of young individuals were given a questionnaire to conduct the hypothesis. A Likert scale had been used to assess the various factors which could affect the population of sports related consumption. The results in this research suggests that a higher economic motivation increases the likelihood of an individual to wager on sports. The factor of gender was also examined, although which was not a significant predictor for the interest in sports. Participants suggested that they would be more likely to be interested in various sports after the legalization of betting was made. The sports gambling market is massive with lots of potential; hence sports organizations should collaborate with gambling companies for profits of their industries. Professional teams can benefit from various sponsorship deals from betting organizations. There is scope for future research on the size of the online and mobile betting industry. (Cason et al., 2020)

Impact of legalized gambling on gambling behavior and monetary benefits to the state government.

The Indian state Sikkim, is a state where there is an active casino and state lotteries industry. This paper focuses on the revenue generated by these industries and various problems faced by the gamblers in Sikkim. The state lotteries and casinos have been generating significant funds and the revenue has been increasing since many years. Sikkim being one of the two states with licensed casinos, have been able to attract many people and have developed the interest of people into gambling. The paper has also examined the different demographic characteristics and the gambling behavior which have been classified into different risk categories. The study shows that the majority of the high-risk gamblers prefer online gambling. This paper has concluded that the problem gambling, which is the set of people who perform high risk gambling, have major health issues for individuals and their families. With the right amount of government intervention, legalizing gambling can reduce the problem gambling. It is suggested to conduct further research on the gambling behavior of Indian individuals on the basis of which regulations can be made to legalese the activity of gambling. (Rai & Murari, 2020)

Impacts of casino legalization

The paper has examined the potential impacts of legalization of casinos and focuses on the social and economic costs, and the benefits of relaxing on gambling regulations within Vermont. Commercial casinos in the United States are one of the highest taxed industries in the country. A big amount from the revenue from casino taxation is being spent on education. It has been found that introduction of casinos increases the aggregate employment within counties. As for the impact of income growth, the weekly earnings increments are much smaller than the amount of increase in employment. The entertainment industry has seen an increase in 19% after the introduction of casinos. The paper also speaks about how the casinos have been able to impact the other businesses. Crime being an important concern has been examined on how the casinos have affected the crime rates in the individual localities. An industry like casinos can generate gambling disorders which have also been studied in this research paper. This research paper concludes that regulating casinos will end up having a positive effect on the government and the individuals by raising the income levels. (McManus et al., 2010)

The Regulation of fantasy Sports Platforms in India

The paper aims at conducting a thorough assessment of the literature and conducting primary research with industry stakeholders, legal experts, and policymakers, regarding the accelerated growth within the industry outlining its expanding economic potential as well as its significance for broader community and sports involvement, comparison of the industry with other countries, adequate number of obstacles and pain points that have been created as a result of the industry's quick growth in terms of economic potential and the comparatively gradual development of regulatory requirements.

The study emphasizes the significance of distinguishing between skill-based and chance-based games as well as addressing the inconsistency in pay-to-play game legislation across states and talks about concept of self-regulation in this context and the different difficulties and challenges to consider when striving to create a successful and effective self-regulatory organization which includes elements of financial risks, minors, data protection and many others.

The report then proceeds to outline ideas that can assist in enabling a regulatory ecosystem over the years after establishing the subject's fundamental elements. The research suggests certain solutions which include the enactment of a central legislation, establishing a well-structured self-regulatory organization and having two-tiered regulation.

Thus, we can see that there are solutions available for regulating the fantasy models in a proper manner which could be beneficial to the overall growth of the country. (Richard oliver (dalam Zeithml., 2021)

The evolving landscape of sports gaming in India (KPMG)

The research paper provides an overall market overview of Online Fantasy Sports Gaming and its significant transformation since its launch nearly 2 decades ago. The paper offers a study of the market landscape of various players in this industry which include their partnership with sports leagues, formats, the business models offered by them which are either free to play or pay to play.

It provides a network effect around fantasy sports in terms of higher sports engagement, growth in supporting infrastructure, growth for digital payment platforms and increase in investment in sports.

The paper also gives information regarding the income wise distribution of the money spent on these platforms.

The 2nd part of the report focuses on sports betting in India and provides a generic overview of the Indian market. It provides detailed information about negative effects of betting and how it can be turned into positive effects through proper regulations.

People consider fantasy sports and betting to be the same thing, however the report concludes with a comparison between fantasy games and betting which include various factors such as transparency in dealings, monetary benefits to states, sports corruption, etc. (KPMG, 2019)

THE IMPACT OF THE BETTING INDUSTRY ON SPORTS

The effects of sports betting are the subject of this research. It explains the history of gambling and its positive and negative consequences. It used to be a little market, but now it's worth billions of dollars annually. Traditional betting may be traced back to Greece, and today it has evolved into the global phenomenon that is internet gambling. The report also describes the characteristics of various betting forms. The highly regulated and transparent gambling business in Romania has been highlighted. The positive effects of this industry have been tallied up, and they include an increase in the number of spectators at each match, an improvement in the public's perception of sports teams, the emergence of an increasing number of sports sponsorships, and the growth of sports clubs as a result of these two factors. Along with the continual corruptions and negative impacts, such as match fixing. (TURCU et al., 2020)

A Needs Analysis of Live Sports Betting

One of the more recent additions to the world of online sports betting is examined in depth in this study: in-play sports betting. The research cataloged the existing options for in-play sports betting and the psychological impact of those options on the better. The authors also developed a methodology for reading the in-play betting scoping research. In total, 16 scholarly articles and 2 reports from the gray literature were examined. The research concluded that the fundamental structural properties of this form of gambling make it potentially more hazardous than other forms of gambling (such as gambling on fixed odds). To wit: (Killick & Griffiths, 2019)

The Impact of Legalized Sports Betting on Fans' Attendance and Attitudes is Analyzed

The legalization of sports betting has become a hot topic in recent years, with many states and countries considering the impact on their respective communities. This paper looked at how fans view the impact of legalized sports betting on their fan experience. The study found that while fans believed that legalized sports betting would negatively impact the integrity of the game, they also saw the potential for increased excitement and engagement in the sport. (Wann PhD et al., 2015)

The Dilemma that is Sports Gambling

This examines the complex issue of sports gambling. The author highlights the benefits and drawbacks of legalized sports betting, such as increased revenue for the state and the potential for problem gambling. The article also discusses the moral and ethical considerations that come with legalizing sports betting, such as the impact on children and the potential for corruption in the industry. (McGowan, 2014)

The legalization of betting on the results of sporting events: a ludicrous answer to an unmanageable problem?

This study examines the pros and cons of making sports betting legal. The author contends that the risks of increased gambling addiction and corruption in the sector make sports betting illegal a ludicrous solution to an unmanageable problem. Although allowing sports betting could bring in more money, the author claims that the social costs would be too high to justify the advantages. (Jha and Dey, 2014)

Regulating sports betting in India

This research investigates the potential for sports betting regulation in India. Bets on sporting events are widely enjoyed in India. A total of \$60 billion a year (or about 300,000 crores) is wagered in India's betting industry. There are risks and negative outcomes associated with gambling, and criminals frequently take advantage of the industry. Since gambling and betting simply require the conveyance of information and money, they are the "perfect" sectors for remote communication. While some nations have tried to ban all forms of gambling and betting, others are working to either regulate or at least normalize the industry.

Several nations in Europe and the United States are beginning to impose stricter rules on international gambling and betting. This is because it is incredibly difficult to prevent millions of citizens in a modern democracy from accessing commercial gaming and betting services via new technology. A substantially larger percentage of this total comes from illegal betting. Indian bookmakers have been at the center of far too many international match-fixing incidents. It's obvious that failing to tax and license sports betting results in a significant loss of revenue. India has to come up with its own answer, but it can get insight from what other countries have done.

It is necessary to regulate both public access (gambling that takes place in a public area such as a casino) and remote gambling (gambling that takes place over the phone or online). Formal and informal violations need to be defined, as well as exclusions and defenses for situations where a person may have been improperly licensed or where activity is not being done for financial gain.

Bookmakers, operators, and the regulating body might be subject to a wide variety of taxes and levies. Revenue sharing is the most popular method of taxation in the gambling industry. The biggest problem with a stakes-based tax is that it must be paid by the operator regardless of whether or not they make a profit. The tax money collected from sports betting might be invested in youth sports and community facilities.

The funds could be placed in the central exchequer or the National Sports Development Fund Scheme. The various state governments might use it to fund sports programs, healthcare initiatives, and educational opportunities. There would be a lot of controversy and difficulty in trying to regulate sports betting in India. The prize, if regulation is successful, is a safer and more secure gambling environment for the young and the vulnerable in India. Furthermore, it may increase tax revenue to levels where it can fund important initiatives. Data from (Rohsler et al., 2013)

Sports betting around the world: A systematic review

It is projected in this study that by 2019, the sports betting market will be worth over USD \$200 billion. Sports betting marketing and promotion were more prominent in Australia and the UK. Sports betting is linked to increased rates of problem gambling, and psychological and social difficulties don't seem to vary much between countries. To "make or accept a bet on the outcome of a race, competition, or other event" is the definition of betting. The CSLAC issues lotteries, the sole form of legal sports betting in China.

Betting during the progress of a sporting event is also permissible. Both daily fantasy sports (DFS) participants and conventional fantasy football players had their gambling-related thoughts and habits analyzed. Problematic betting patterns were consistent with those seen in other online entertainment mediums. The high-risk problem gamblers had more financial, competitive, and social interaction-related motivations. The popularity and profitability of sports betting have led to its acceptance in nearly every country.

One survey indicated that 776.3% of gamblers' money was lost on wagers made on racing and sports. It was challenging to exercise restraint due to the accessibility and pervasiveness of promotion for online sports betting. An eight-month study looked at how a group of new users behaved on an online sports betting service. Individuals were sorted into "non-problem," "low risk," "moderate risk," and "problem" gambler categories. The results show that there may not be a significant cultural difference between Eastern and Western countries when it comes to sports betting."(Etuk et al., 2022)"

Why do individuals engage in sports betting: A qualitative study

This research provides evidence that the proliferation of 'in-play' betting may be traced back in part to the advent of mobile technology. In-play betting enables punters to wager in real-time on a wide variety of athletic events and markets. People who wager while the action is unfolding are more likely to fall into the "problem gambler" category, according to a prevalence survey conducted by the Gambling Commission. Little is known about the psychology and logic behind popular aspects of online sports betting. The level of gambling disorder was measured using the Problem Gambling Severity Index (PGSI). Respondents to a study were asked to explain their preferences for live in-play betting on sporting events. Sports gamblers wagered that Novak Djokovic would win against a player ranked 11th through 20th in men's tennis. The monetary value of the 'cash out' option had a significant impact on the participants' decisions to cash out. Betting during games eliminates any embarrassment or shame that problem gamblers would feel in public. Mobile betting appears to encourage riskier gambling because it is done in isolation. Mobile gambling has the potential to hasten the development of problem gambling and other harmful behaviors.

Like a stop-loss order in trading, cashing out can limit your losses. Profits can be distributed to shareholders, who can then determine whether or not to do so. (Killick & Griffiths, 2021)

IV. RESEARCH OBJECTIVES

1. To understand the demographics of the global betting and gambling industry considering various factors like region, platforms, internet penetration, GDP per capita, popular sports.
2. To estimate the industry turnover of the betting and gambling industry in India.
3. To estimate the increase in GDP of India after legalization of betting and gambling industry.
4. To estimate the increase in tax revenue after legalization of the betting and gambling industry.
5. To explore different statutory regulations of nations where betting and gambling has been legalized and thereby suggest the best model fit for India

V. RESEARCH METHODOLOGY

In accordance with our first objective i.e., to explore the demographics of the global betting and gambling industry, we collected secondary data about the major nations with various classifications on different parameters like type of betting, year on year growth, region wise distribution etc. (June, 2023). We then employed basic statistical tools to make substantial judgements about the worldwide betting and gambling industry.

In accordance with our next objective which is to predict the betting turnover for India if betting is legalized in India. As of now betting is void in India in the eyes of law and major betting takes place illegally in the country. It is difficult to predict the turnover of this illegal industry because of unavailability of adequate data. Therefore, we have taken various major nations where betting has been legalized as comparables for our study. We have taken the USA, Canada, UK, China, Japan as comparables as various studies have estimated betting turnovers of these nations. Our assumption is that when legalization takes place there will be a shift from illegal betting activity to legal betting activity. Hence, we take the turnovers of the mentioned economies as our dependent variables and then we collect secondary data for our independent variables about these countries. After a thorough literature review, we decided to consider the following factors as our independent variables-

1. Disposable income
2. Consumer spending index
3. Consumer sensitivity index
4. Average age
5. Internet penetration
6. Inflation

In accordance with our third objective i.e., to find out the financial impact of betting legalization on the Indian economy, with legalization of betting there is an incremental flow of GDP in the economy which will lead to greater tax revenues and more employment. However, our present study is limited to the direct impacts of legalization. We look at two major impacts i.e., impact on GDP and impact on tax collection. For estimating the increase in GDP, we have the incremental turnover, we applied the macroeconomics concepts of GDP multiplier to calculate the increase in GDP. For estimating the increase in tax collection, we found out the net taxable income using the industry average percentage of profit before tax, we then applied the relevant tax rates to find out the increased tax collection.

In accordance with our fourth objective i.e., to determine the best fit statutory model for legalization of betting in India. We collected secondary qualitative data on statutory models used in various nations with the help of high impact journals. We then compared and evaluated the best fit for India.

Regression Model

Regression is a statistical analysis technique used to model the relationship between two or more variables. It is a type of predictive modeling that aims to understand the relationship between a dependent variable (also known as the outcome variable or response variable) and one or more independent variables (also known as explanatory variables or predictor variables).

The mathematical equation, called the regression model, is typically represented as:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \dots + \beta_n X_n + \varepsilon$$

where Y is the dependent variable, X₁, X₂, ..., X_n are the independent variables, β_0 , β_1 , β_2 , ..., β_n are the regression coefficients that represent the relationship between the dependent variable and each

independent variable, and ϵ is the error term that represents the unexplained variation in the dependent variable.

Regression analysis can be used for various purposes, such as predicting future values of the dependent variable, understanding the strength and direction of the relationship between variables, identifying significant predictors, testing hypotheses, and assessing the goodness of fit of the model to the data.

VI. DATA ANALYSIS

A. Global Industry Demographics

1) NORTH AMERICA



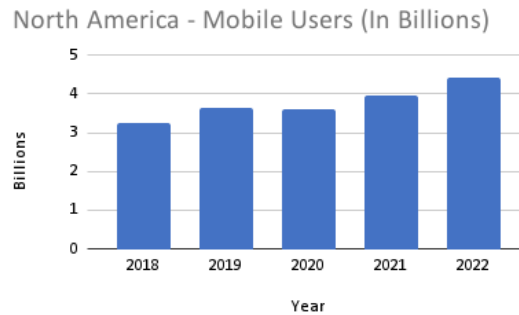
1.1) Online Gambling Market in North America

As per the graph, we can analyze that the Gambling and betting market in the North American region has been growing at a nominal rate. The Sports Betting market has increased from 4.24 billion dollars in 2018 to 5.79 billion dollars in 2022. Casinos have reached 2.83 billion dollars in 2022 from 2.09 billion dollars in 2018. Similarly, Poker market has increased from 0.46 to 0.59 billion dollars while bingo has increased from 0.7 to 0.93 billion dollars.

There are expectations that over a period of 5 years, the market will be having a CAGR OF 11.78%.

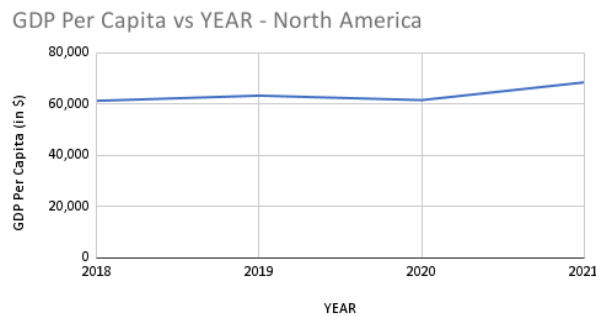
Gambling at casinos is growing at a rapid rate since it is simple to use and provides the finest user experience. With the advancement of technology, virtual reality, blockchain, and mobile platforms are becoming increasingly popular in the gambling business around the region. Gambling and betting are quickly becoming legal in the United States. Most US states have legalized internet horse racing betting for numerous years.

Online gambling is the betting of sports or casino games over the internet. These online programs and websites provide a massive assortment of games. Participants can bet on these live games, sports, or other comparable games to win prizes or money. The North American online gambling market is divided into three segments: game type, device, and geography. The market is divided into betting on sports, various casinos, and other gaming categories. The casinos are further subdivided into various types such as a live casino, machines including slots, card games such as blackjack, baccarat, poker, and other casino games. The market is separated into two segments: desktop and mobile. Geographically, the market is divided into the United States, Mexico, Canada, and the rest of North America.



1.2) Mobile Users growth (North America)

As more people utilize the internet and internet-connected devices such as smartphones and tablets, the market for online gambling in North America will expand. This is because users would be able to access gaming websites whenever they desire. The majority of individuals are now able to gamble on their cell phones because of advancements in technology like better visuals and greater storage capacity. Online gambling is now more widely accepted thanks to digitization, which is projected to boost market expansion. Because game-focused cell phones will be produced and sold more quickly as they become more affordable and well-liked, the industry is predicted to expand.



1.3) GDP Per Capita (in dollars)

The GDP per capita of the North American region is going well until and is increasing at a nominal rate. This has made people with more amount of money and thus leading to a good economic growth.

Economic impact of betting in North America

Revenue generating: With approximately \$100 billion in annual revenue, the North American gambling industry is among the biggest in the world. Casinos, lotteries, online gambling, sports betting, and other types of gambling all chip in to this income. Additionally, the sector generates employment, particularly in locations with sizable casinos or other gaming establishments.

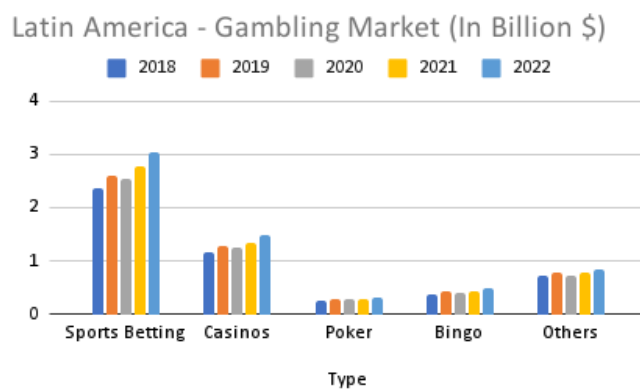
Tax revenue: In addition to producing jobs, the betting and gambling sector also provides governments with substantial amounts of tax money. States in the US, for instance, frequently levee taxes on gambling income, which is then employed to pay for a number of initiatives and services.

Tourism: Tourists are drawn to North America by the betting and gambling sector, particularly in areas with sizable casinos or other gaming establishments. As tourists may spend money at hotels, restaurants, and other local businesses, this can help local economies.

Popular forms of Betting

1. **Football (NFL):** In North America, football is by far the most widely bet-on sport. Every week during the NFL season, millions of individuals bet on the games, using a wide range of betting options like point spreads, moneylines, and over/unders. With billions of dollars being placed on the game, Super Bowl Sunday is the biggest betting day of the year.
2. **Basketball (NBA):** Basketball, especially the NBA, is another popular sport for betting in North America. Similar to football, there are several other ways to bet on NBA games. Another well-liked betting event is the NBA Finals.
3. **Baseball (MLB):** Baseball is both a popular sport for betting and the national pastime of both the United States and Canada. Money Lines and over/unders are the most common types of baseball betting, while point spreads are less frequent. The biggest baseball betting event is the World Series.
4. **Hockey (NHL):** Millions of dollars are gambled on NHL games annually, making hockey a popular sport for betting in Canada. Money Lines and over/unders are frequently used in hockey betting, similar to baseball, although point spreads are less frequent. The Stanley Cup Finals are the most popular hockey betting event.
5. **College sports:** In North America, betting on college sports is equally as popular as professional sports. Particularly well-liked sports include college football and basketball, where plenty of followers follow their preferred teams and bet on their contests.

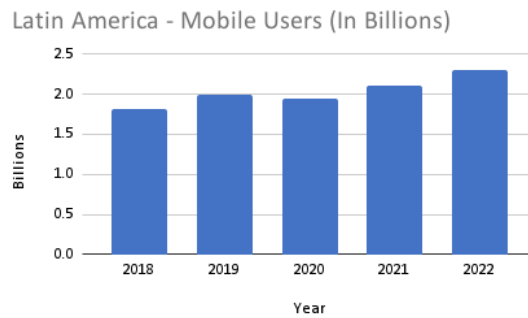
2) **LATIN AMERICA**



2.1) Online Gambling Market in Latin America

As per the graph, we can analyze that the Gambling and betting market in Latin America region has been growing at a nominal rate. The Sports Betting market has increased from 2.36 billion dollars in 2018 to 3.03 billion dollars in 2022. Casinos have reached 1.48 billion dollars in 2022 from 1.16 billion dollars in 2018. Similarly, Poker market has increased from 0.26 to 0.31 billion dollars while bingo has increased from 0.38 to 0.48 billion dollars.

The present and future growth of the industry is already estimated to be worth close to US\$5 billion in LATAM. The region's diversity is reflected in the gambling sector in Latin America, where each nation has its own laws governing casinos, lotteries, and sports betting. Despite the difficulties faced by such a disjointed legal system, it is anticipated that between 2020 and 2025, the gross gaming revenue (GGR) of the Latin American betting market will nearly triple.



2.2) Mobile Users growth (Latin America)

The growth of online gambling has greatly contributed to the industry's expansion beyond traditional casinos, making these antiquated rules even more troublesome. People in Latin American nations can easily access casino games, sports betting, lotteries, and bingo since they have access to the internet, cellphones, and sports betting despite local laws outlawing these activities.



2.3) GDP Per Capita (in dollars)

The GDP per capita of the Latin America region was going well until the pandemic hit, but now it is back on track and increasing again. This has brought money back to the people of this region and the economic growth is increasing.

Economic impact of betting in Latin America

1. **Revenue generation:** The gambling sector can have a substantial economic impact in nations where it is legal and regulated, such as Argentina, Brazil, Chile, Colombia, and Mexico. For instance, the Mexican Gaming Association estimates that the gaming sector in Mexico would produce \$10 billion in revenue in 2020. The Colombian Association of Gambling Operators estimates that the sector will bring in more than \$600 million in Colombia in 2020.

For instance, according to Statista, the gaming sector generated \$4.4 billion in revenue in Argentina in 2019 and \$1.1 billion in Chile the same year.

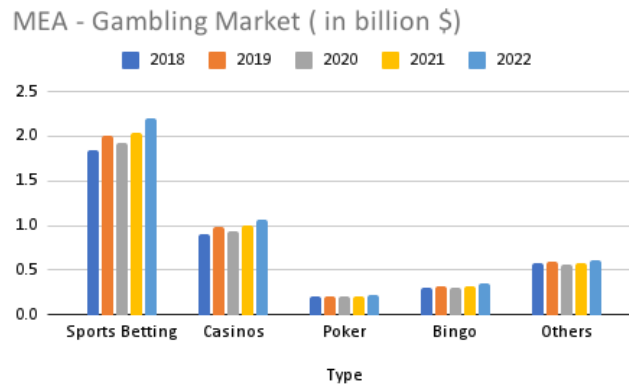
- 2. Job Creation:** The gaming industry has the potential to provide employment, notably in the travel and hospitality industries. Gambling can be a big engine of tourism and job growth in nations where it is a popular tourist activity, such as the Dominican Republic, Costa Rica, and Puerto Rico. Gaming Industry helps in producing jobs in various industries. Some of the notable industries are tourism, hospitality and entertainment. According to the Brazilian Legal Gaming Institute, for instance, the business generated over 320,000 new jobs in Brazil in 2019.
- 3. Infrastructural Development:** In Latin America, the gaming business has a significant positive economic impact on infrastructure development. In some instances, the business community might contribute money to infrastructure initiatives including sports venues, medical centers, and educational initiatives. This could raise residents' general quality of life and draw more tourists to the area. For instance, the government of Colombia has funded sports, health, and education initiatives with money obtained from the gambling sector. According to the Colombian Gaming Association, the government contributed over \$210 million from the gambling sector to finance infrastructure projects in 2019. Building sports facilities, enhancing hospitals, and sponsoring national educational initiatives have all benefited from this investment. Similar to this, the Mexican government has financed infrastructure projects with gaming industry profits. According to Forbes Mexico, the government committed around \$240 million from the industry in 2020 to support sports initiatives. Sports facilities, like the Azteca Stadium in Mexico City, have been built with the help of this finance, as have others that already exist.

The gaming sector can contribute to the funding of infrastructure for sports and health as well as for transportation. According to Reuters, the government in Brazil, for instance, has thought about using gaming industry profits to pay for the development of a high-speed train system.

Popular forms of Betting

- 1. Soccer/football:** Soccer is the most watched sport in Latin America, and it is also the most bet on sport. The results of games, the number of goals scored, and other football-related outcomes are frequently bet on by fans.
- 2. Baseball** is a well-liked sport in various Latin American nations, including Cuba and the Dominican Republic, and it is also a well-liked sport for wagering. Baseball-related outcomes, including game results, point spreads, and other outcomes, are frequently bet on by fans.
- 3. Boxing:** Boxing is a well-liked sport in Latin America and a well-liked activity to wager on. The results of fights, the number of rounds, and other aspects of boxing are frequently the subject of wagers from fans.
- 4. Mixed Martial Arts (MMA):** In Latin America, MMA is a burgeoning sport that is also gaining popularity as a sport for wagering. Fans frequently wager on MMA-related events, including bout results, winning strategies, and other outcomes.

3) MIDDLE EAST & AFRICA (MEA)



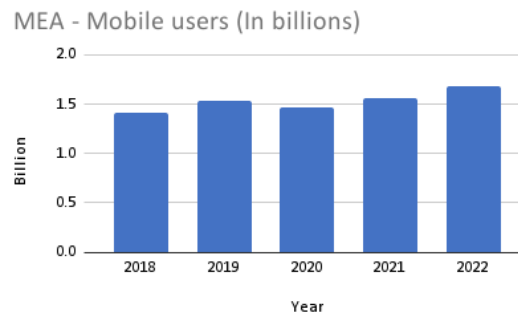
3.1) Online Gambling Market in Middle East & African Region (MEA)

As per the graph, we can analyze that the Gambling and betting market in Middle East and African region has been growing at a nominal rate. The Sports Betting market has increased from 1.85 billion dollars in 2018 to 2.2 billion dollars in 2022. Casinos show an increase of 0.16 billion dollars from 0.91 billion dollars in 2018 and 1.07 billion dollars in 2022. Similarly, Poker market has increased from 0.2 to 0.22 billion dollars while bingo has increased from 0.3 to 0.35 billion dollars.

This Market is expected to expand at a CAGR of 12.1% from 2021 to 2026.

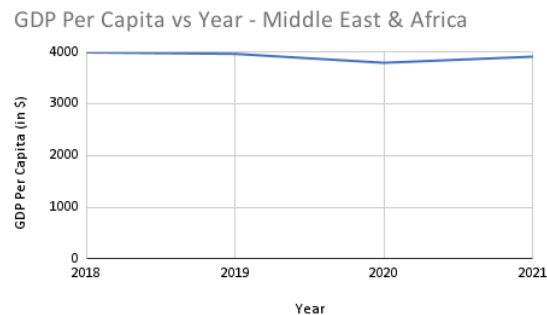
There is going to be a rise in the development in MEA’s gambling market. The main reason for the same is that after Covid’19, the number of online gaming services have increased because it is anticipated that different game suppliers in the market under study would concentrate on growing their user bases during this time and seeing soaring returns during COVID-19 scenarios, many service providers are offering discounts, incentives, and cost waivers in exchange for their services.

In the United Arab Emirates, the gaming industry is expanding thanks to growing consumer interest in and investment in locally produced games and talent. It is an extremely diverse region in terms of spending. The average gamer in the nation is expected to spend USD 115 annually.



3.2) Mobile Users growth (MEA Region)

In particular, rising digitization, increased mobile device use, high internet penetration, as well as more accessible and varied payment alternatives, have all fueled the growth of online gambling throughout the region. This change is a reflection of how widely popular online gaming is worldwide. The rapid and expanding development of AR-based games and applications is anticipated to create market opportunities during the anticipated time.



3.3) GDP Per Capita (in dollars)

The GDP per capita of the MEA region was going well until the pandemic hit, but now it is back on track and increasing again. This has bought money back in the people of this region and the economic growth is increasing.

Economic impact of betting in MEA Region

The National Lottery Regulatory Commission (NLRC) in Nigeria collects taxes from betting company's earnings, which is then used to pay for different government initiatives.

Similar to Kenya, where the government receives a 20% tax on the gross revenue of betting companies, which has brought in billions of shillings in tax revenue, some nations like Lebanon have introduced taxation on gambling and betting activities.

The horse racing sector has grown significantly in Dubai, and the Dubai World Cup is one of the richest horse racing competitions worldwide with a purse of \$12 million. Betting through this contributes approximately \$1.5 billion annually to the Dubai economy.

Popular forms of Betting

Depending on the nation and the permissibility of betting and gambling, the most widely used betting and gambling platforms in the Middle East and Africa can change. However, some of the popular forms of betting are: -

1. **Online sports betting platforms:** Betway, Bet365, XBET, are available in the area. Sports betting choices on these platforms include football, cricket, tennis, and horse racing.
2. **Casino gaming:** There are several well-known casinos that provide a variety of games, including table games, slot machines, and poker, in nations where casino gaming is permitted. For instance, South Africa's Sun City Casino Resort is a well-liked place to gamble.

3. **Horse Racing:** Many nations in the region have a thriving horse racing betting industry, with well-known events like the Dubai World Cup and the Durban July in South Africa. Numerous horse racing betting platforms are also available, including TAB and SportingBet.
4. **Lottery games:** National lotteries and other games like scratch cards and instant-win games are all very well-liked in many of the nations in the region. An example of a well-liked lottery game in South Africa is the South African National Lottery.

4) ASIA PACIFIC

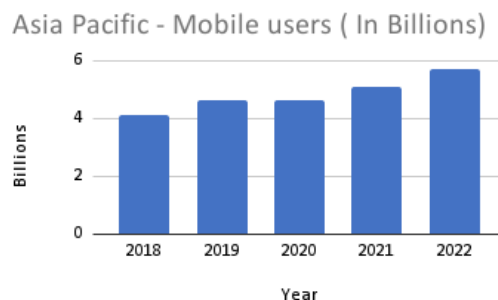


4.1) Online Gambling Market in Asia-Pacific Region

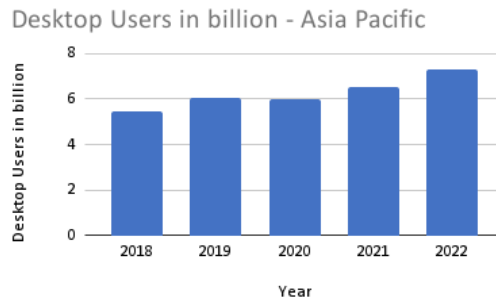
According to the graph, we can deduce that the Asian Pacific gambling and betting market has been expanding at a good pace over the period of 2018 to 2022. The region has seen the highest growth rate in terms of sports betting with market size increasing from 5.42 billion dollars to 7.51 billion dollars. The casino market ranks 2nd in terms of growth with an increase from 2.66 billion dollars in 2018 to 3.66 billion dollars in 2022. The Poker and Bingo market have shown a nominal growth with an increase of 0.17 billion dollars and 0.31 billion dollars respectively in the gap of 5 years between 2018 and 2022.

In 2022, the Asia Pacific region's online gaming market had a value of \$19.5 billion. Looking ahead, it can be projected that the market will grow at a CAGR of 11.39% from 2023 to 2028, reaching US\$ 37.5 billion.

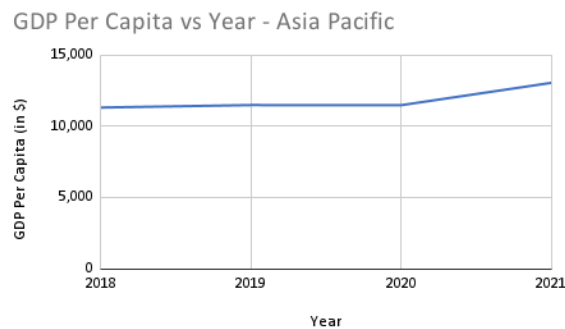
The COVID-19 pandemic breakout and the lockdown regulations implemented by governments of numerous nations of the Asia Pacific region have increased the amount of people visiting gambling and casino websites. This has helped the market to expand with the increasing number of mobile and desktop users which can be seen through the following charts below.



4.2) Mobile Users growth (Asia Pacific Region)



4.3) Desktop Users growth (Asia Pacific Region)



4.4) GDP Per Capita (in dollars)

The GDP Per capita income of this region has been increasing at a nominal rate. This shows there has been an increase in the individual income and there has been economic growth even after Covid'19 pandemic.

Economic impact of betting in Asia Pacific Countries

The government of Japan has legalized and regulated certain resorts which would be integrated with in house casinos. The government anticipates that these resorts would boost tourism and foreign investment in the country.

The Philippine Amusement and Gaming Corporation, a government-led organization, regulates and oversees all gambling activities in the nation, including those at both online and offline casinos. The Philippine Amusement and Gaming Cooperation's annual report states that the organization made over 36 billion (Philippine Peso) in income in 2020, of which over 29 billion (Philippine Peso) came from its gaming operations in the Philippines. 50% of the total income of the corporation flows to the National Treasury as the mandatory revenue share required by the national government.

The total tax revenue from the Australian gambling industry (online and offline) is \$6.6 billion (Australian dollars), while offline casinos add up around \$700 million to the economy. Both the online and offline gambling markets have helped in generating about 2,21,800 employment opportunities across Australia.

Since the 1850s, gaming has been permitted in Macau. Macau's main source of income has been gambling tourism, which has earned it the moniker "Las Vegas of the East." Gaming accounts for nearly 80% of Macau's tax revenue.

Popular Forms of Betting

1. **Casino Gaming:** Casinos in Australia, Macau, Philippines, etc. are famous for a wide range of games such as slot machines, roulette, blackjack and some traditional Asian games which include Sic Bo and Pai Gow.
2. **Sports Betting:** In Asia, sports betting is very common, and plenty of people gamble on Cricket, football, and other well-known sports through various apps and websites such as 1xBet, Bet365, Tabcorp. SBOBET, etc. There are legal sports betting markets in some nations, including Japan and South Korea, while they are prohibited but nevertheless commonly practiced in others, like China.
3. **Racing:** Numerous nations, including Hong Kong, Japan, and Australia, are big fans of horse racing. It is also permissible to bet on other races, such boat races and bicycle races, in some nations, like Japan.

5) EUROPE



5.1) Online Gambling Market in Europe

We can infer from the graph that the Europe online gambling and betting market has been growing steadily between 2018 and 2022. The market size for sports betting in this region increased from 9.62 billion to 12.94 billion dollars at a good growth rate. With a rise from 4.75 billion dollars in 2018 to 6.32 billion dollars in 2022, the casino market ranks second in terms of growth. During the period between 2018 and 2022, the poker and bingo markets both experienced nominal growth rates increasing by 0.26 billion and 0.50 billion dollars, respectively.

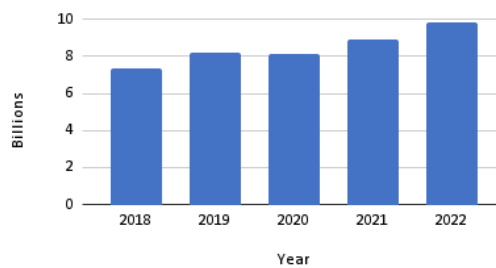
One of the main elements promoting the market's expansion in Europe at the moment is the increased desire for online gambling, which guarantees authenticity and eliminates fraudulent operations.

Looking ahead. from 2023 to 2028, the market is anticipated to expand at a CAGR of 7.6% reaching US\$ 59.0 billion. Some of the major drivers propelling the market in Europe are the increased desire for

convenient gambling, the abundance of online games, and the ease of accessibility of online gambling compared to traditional gambling.

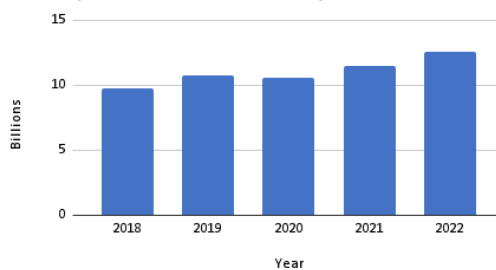
With the development of technology, mobile platforms, blockchain technology, and virtual reality are all gaining popularity in the European gambling market. Increased online gaming revenue was a necessary companion to this shift from offline to online gambling. The European online gambling market is anticipated to rise as a result of rising hardware and software innovations, increased internet penetration, increase in the number of mobile and desktop users as seen in the graphs below, and growing popularity of casinos and sports betting.

Europe - Mobile Users (In Billions)



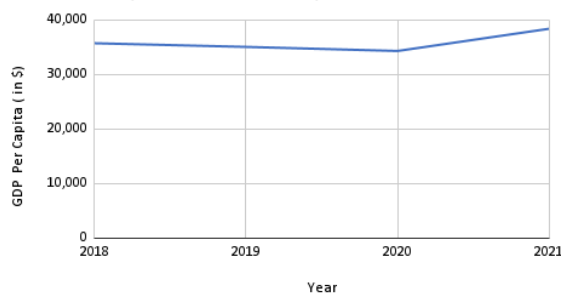
5.2) Mobile Users growth (MEA Region)

Desktop Users in billions - Europe



5.3) Desktop Users growth (Europe)

GDP Per Capita vs Year - Europe



5.4) GDP Per Capita (in dollars)

The Europe region's GDP per capita has been increasing nominally even after a certain decline during the pandemic in 2020. This demonstrates that despite the Covid'19 pandemic, individual income has been increasing and the economy has been growing.

Economic impact of betting in European Countries

In 2020, Online Gambling platforms in the European Countries have brought in investments of about €340m for sports in Europe. This came in through digital rights of the sports tournaments and from sponsorships for the same events.

The direct financial impact of gambling goes far beyond the costs associated with betting and gaming. The industry also contributes to national insurance contributions and corporate tax through its employment. Business rates and non-recoverable VAT are two additional direct payments made by the sector

Betting and Gambling in the United Kingdom has been able to provide more than 50,000 jobs in 2020, of which around 10,000 comes from online betting and gambling. For the year 2020–2021, £2.83 billion in taxes were paid in the United Kingdom by the Betting & Gambling industries.

Popular Forms of Betting

1. **Sports betting:** Betting on sports, including football, tennis, and other events, is widely common in Europe. The most well-known bookies are Ladbrokes, William Hill, and Bet365.
2. **Casino gambling:** Casinos are also well-liked in Europe, where many cities have their own establishments. The Casino de Monte Carlo in Monaco, the Casinò di Venezia in Italy, and the Casino Baden-Baden in Germany are a few of the most well-known casinos in Europe.
3. **Lotteries:** There are numerous national lotteries around Europe, and they are widely popular. The UK National Lottery, EuroMillions, and German Lotto are a few of the most well-known lotteries.
4. **Poker:** Poker is well-liked in Europe, where numerous nations hold their own tournaments and events. One of the biggest poker tournaments in Europe is the World Series of Poker Europe.

B. Estimation of turnover of Indian betting and gambling industry

• Independent Variables

1) Disposable Income:

After accounting for taxes, deductions, and any other necessary outlays, an individual or household will have a certain amount of money that is referred to as "disposable income." This money can be used for spending or saving purposes. It is the actual sum of money that an individual or household has available to meet their demands for discretionary spending, such as putting money away for the future, making investments, or spending money on non-essential items such as vacations, entertainment, and other non-

essential items. It is commonly used as a measure of the overall health of the economy as well as the purchasing power of individual consumers. This is due to the fact that greater disposable incomes generally signal increased consumer spending and economic expansion, whereas lower disposable incomes may result in decreased consumer spending and economic contraction. Disposable Income is directly proportional to Turnover. So, when there is an increase in the Disposable Income the individuals will have more funds available to bet and this would increase the turnover from betting.

2) **Consumer Spending Index:**

The term "consumer spending," which is synonymous with "personal consumption expenditure," describes the aggregate sum of money that households spend within a specific time period on various types of goods and services. It is an essential element of a nation's Gross Domestic Product (GDP) and serves as a significant indicator of the level of economic activity as well as the state of an economy as a whole. Many things, such as household income, interest rates, consumer confidence, employment levels, inflation, government policies, as well as cultural and societal influences, might have an effect on it. Understanding consumption patterns, consumer behavior, and economic trends requires having a solid grasp on consumer expenditure, which may be measured. It is frequently examined in conjunction with a number of other economic indicators in order to evaluate the state of an economy and to generate forecasts and projections regarding the upcoming performance of the economy. Consumer Spending Index is directly proportional to Turnover. So, when there is an increase in the Consumer Spending Index the individuals will spend more on betting and this would increase the turnover from betting.

3) **Average Age:**

A wide variety of sports leagues, ranging from the Indian Super League (ISL) to the National Basketball Association (NBA), have entered into high-profile partnerships with sports technology businesses in recent years. The fact of the matter is that businesses that deal in online gaming want to be as comprehensive as possible simply because people of all ages can bond over common interests. Both one's personal and professional interests shift with age and help define entire user market groups, which in turn assists businesses in reaching those segments. Average age is inversely proportional to Turnover. The data we collected for conducting this research showed that the younger generation has a greater tendency of betting in comparison to the elder generation. (Madjov, n.d.)

4) **Consumer Sensitivity Index:**

The term "price sensitivity" refers to a measurement that illustrates how varying pricing for goods or services effect the shopping habits of consumers. To put it another way, it demonstrates how changes in the price of a product affect the amount of demand for that commodity. It assists businesses in determining how changes to their products will impact their sales volume and identifies new income opportunities by helping them maximize their price band. Consumer Sensitivity Index is directly proportional to Turnover. Hence, when there is a small change in the return on bids people tend to bet less whereas if there a significant change in the return on bids people tend to bet more.

5) **Inflation:**

Inflation is the rate at which the overall level of prices for goods and services in an economy rises over time. This results in a decline in the purchasing power of a currency since the general level of prices for

goods and services is rising. In other words, it is a representation of the fall in the value of money through time, as it takes a greater amount of money to buy the same quantity of products or services as it did in the past. A rise in the demand for goods and services, a shift in the cost of production, a shift in the supply of money, a shift in the policies of the government, or even variables from the outside economy, such as a shift in the value of the currency exchange rate or the price of a global commodity, can all be potential contributors to inflation. A nation's economy is susceptible to being affected favorably and adversely by inflation in equal measure. Purchasing power can be eroded by high or quick inflation, which can also disrupt economic planning and investment and generate uncertainty in financial markets. Moderate inflation, on the other hand, can be an indicator of a strong economy with increased demand and commercial activity. Inflation is inversely proportional to Turnover. Therefore, if there is a high inflation rate prevailing in the economy people will bet less.

6) Internet penetration:

The percentage of a population that is connected to the internet is referred to as that population's internet penetration. It is sometimes used as an indicator of the degree of internet connectivity and adoption that exists within a given nation, geographic region, or demographic group. In general, higher levels of internet penetration are related with improved opportunities for communication, access to information, economic growth, as well as the sharing of social and cultural ideas. Penetration of the internet has enormous repercussions for many different elements of society and the economy, including education, healthcare, business, e-commerce, social connections, government, and access to information and services. Additionally, it may have an effect on the economic competitiveness, innovation, and employment possibilities. Inflation is directly proportional to Turnover. When there is better internet connectivity available more bets will be placed.

In this research paper we have used the Multiple Linear Regression which estimates the relationship between one dependent variable and two or more independent variables. Here the turnover from legalized betting is the dependent variable whereas the different independent variables have been discussed before. We used this model to determine the turnover from legalized betting activities for India.

Before taking the various independent variables into account we checked their correlation with the aggregate turnover for betting companies across different countries and by doing so we found that all the independent variables other than Inflation and Internet penetration showed a strong correlation with the turnover from betting activities i.e., the dependent variable for this study. So, we excluded them from the Regression equation.

Country	Turnover (in US \$)
USA	10480000000
Canada	1230000000
UK	7690000000
China	4380000000
Japan	3490000000
India	9029587482

Table 1.1 Turnover of different countries from legalized betting (June, 2023)

<i>Independent Variables</i>	<i>Coefficients</i>
Intercept	22644202743
Disposable Income (in US \$)	92583.17768
Consumer spending index	-7256.209923
Consumer sensitivity index	-16057193.62
Average age	-382035862.8
Inflation	0
Internet penetration	0

Table 1.2 Coefficients of Independent variables

Country	Disposable Income (in US \$)	Consumer spending index	Consumer sensitivity index	Average Age
India	2690	24772	176.5	28.4

Table 1.3 Values of Independent Variables for India (June, 2023)

Regression Equation: $Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4$

Y: Turnover from betting activities

β_0 : Intercept

β_1 : Coefficient of Disposable Income (in US \$)

β_2 : Coefficient of Consumer spending index

β_3 : Coefficient of Consumer sensitivity index

β_4 : Coefficient of Average age

X1: Disposable Income (in US \$)

X2: Consumer spending index

X3: Consumer sensitivity index

X4: Average age

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4$$

$$Y = 22644202743 + (92583.17768 * 2690) + (-7256.209923 * 24772) + (-16057193.62 * 176.5) + (382035862.8 * 28.4)$$

$$Y = \$ 9029587482$$

As per the Regression model the Turnover of India from betting activities comes to \$ 9029587482 which is greater than the turnovers of all countries except USA. This shows that India has a high potential to be a leading betting market, and this would benefit the Indian economy both directly and indirectly.

C. IMPACT OF LEGALISATION OF BETTING ON GDP OF INDIA

Legalization of betting will cause a huge shift from consumption expenditure on illegal betting activities to legal activities which is expected to unlock a huge amount of GDP growth which hasn't been traced out

yet. As in the previous section we estimated the turnover of the Indian betting industry which comes to about Rs 74,105 crores. In this section of our study, we try to evaluate the increase in GDP of India directly induced by bringing this huge amount of unaccounted consumption expenditure in the legal bracket.

Legalization of betting will have a direct impact on GDP as well as an indirect impact. In the present study our focus is on the estimation of the direct impact however legalization of the betting industry will generate additional employment which will generate additional income thereby causing an increase in the GDP. Also, it will give a boost to various complementary industries like computer software which will also give a boost to the GDP of the nation. Betting and gambling is a fast-growing industry and thus will also bring in private capital investment and foreign direct investment, all these factors will have a boosting effect on the GDP growth of India.

ESTIMATION OF THE DIRECT IMPACT

To determine the increase in GDP with an increase in consumption expenditure we have used the Keynesian model of income determination. According to the Keynesian model GDP is a function of household consumption expenditure (C), gross domestic capital formation (I), government expenditure (G) and net exports (X-M).

We consider the concept of consumption multiplier to calculate the increase in GDP. The concept of multiplier says that an increase in consumption will further lead to an increase in income and the cycle goes on increasing the GDP multiple times. According to the Keynesian model consumption multiplier is calculated as $1/(1-MPC)$ here MPC is marginal propensity to consume which is the percentage of income that people spend on consumption.

According to the study of (Mitra & Choudhuri, 2016), the MPC of Indians comes to 0.63, we use this value to calculate the GDP multiplier which comes to 2.7 times. Thus, an increase in consumption expenditure by Rs 74,105 crores the GDP will increase by 2.7 times of Rs 74,105 crores.

$$dGDP = dC \times 1/(1-MPC)$$

$$dGDP = 74,105 \text{ cr} \times 2.7$$

Hence the increase in GDP comes to about rs 2,00,286 crores. The current GDP of India as on 31st march is 260,98,260 crores (World Bank Group, n.d.), therefore the increase in GDP comes to about 0.77% which is considered a substantial growth.

D. Impact of legalization of betting on Tax Collection

Tax is a mandatory financial contribution or levy imposed by a government on individuals, businesses, and other entities to fund public goods and services, such as infrastructure, education, healthcare, defense, and social welfare programs. Taxes are typically collected by the government through various means, such as income taxes, property taxes, sales taxes, and corporate taxes. Taxes serve as the primary source of revenue for governments, allowing them to carry out their responsibilities and provide essential services

to their citizens. Tax policy can impact economic growth, income distribution, and social welfare, and is often a topic of political and social discourse.

In this research paper we have analyzed how much tax is paid on an average by leading betting companies worldwide and based on the turnover which we calculated using the regression model we tried to find out the contribution of Indian betting companies in the tax collection if betting is legalized in India in the near future.

Particulars	Bet365	Flutter Entertainment
Turnover	2817904000	3886300000
PBT	469249000	393200000
Profit Margin Before Tax	16.65%	10.12%

Table 2.1 Profit Margin before Tax for Bet365 & Flutter Entertainment for FY 2020-21 (*Bet365-Financial-Year-2022-Report.Pdf*, n.d.) (Entertainment & Report, 2022)

The average Profit Margin Before Tax by using the above data came out as 13.39%. So, we implemented the same on our estimated turnover i.e., \$ 9029587482 and our estimated Profit Margin Before Tax came out to be \$ 1209061764. Further we imposed taxes on the same in two different scenarios. Firstly, as an Indian company where the tax imposed is 30% and secondly as a foreign company where the tax imposed is 40% and the results were as follows:

Tax Rate	30%	40%
Tax collection in \$	362718529.2	483624705.5
Tax collection in ₹	29768309688	39691079584

Table 2.2 Tax collection from estimated turnover in \$ and in ₹.

1) Direct Impact: The current tax revenue stands at ₹ 18047930000000, if we further include tax collected from betting companies the results will be as follows:

Tax rate	30%	40%
% increase in tax collection	0.16%	0.22%

Table 2.3 % increase in tax collection from betting companies

Since the data for current tax revenue was in ₹, we had to convert the tax collection from betting companies available in \$ to ₹, as seen in Table 2.2 for this we used the conversion rate as at 12th April 2023 which stood at 82.07 ₹ for every \$ and in each of the scenarios i.e., 30% tax rate and 40 % rate tax collection has increased by a significant margin i.e., 0.16% and 0.22% respectively which can be seen in table 2.3. Hence, we can clearly say that if betting is legalized in India, it would have a positive impact on the tax collection

and diversify the various sources of tax collection. In these trying times for the global economy, taxing the winnings that are brought in by gambling can seem like an extremely alluring choice. The most ideal scenario is one in which the government issues unambiguous legislation, which both legitimize gambling and provide adequate protection for players. In lieu of explicit bans, which only serve to exacerbate the situation, this will be the approach that is favored. It is a situation in which both the government and the bettors can emerge victorious. The government will be able to reap the financial benefits of increased tax income if it ensures that betting can take place in a secure environment. Instead of becoming mixed up in the underworld of criminal organizations, customers will be able to place their wagers on open markets where the money can be tracked down, which will be of great assistance to them.

2) Indirect Impact: In addition to the obvious rise in revenue that will result from the collection of taxes, the collection of taxes from the gambling business will also have a number of other indirect effects. The legalization of betting and gambling on sporting events can also be beneficial in terms of increasing overall output and the number of jobs that are created. Betting is merely another form of gambling that can result in both financial gains and losses. In a strict sense, one might also include gambling and betting as activities that take place in the Indian stock market. There is no way to know with absolute certainty when the prices of the shares will go up or down. If betting on stocks and shares of other companies is permissible, then why not betting on sports? Why shouldn't sports betting be legalized in India? Other forms of betting and gambling in India, such as wagering on horse races and gambling in casinos, are already permitted there.

It is impossible to eradicate gambling as a problem. Even though it's against the law, people nevertheless engage in these kinds of activities. Therefore, the government should seek out answers to the issue rather than ignoring it completely. When the market finally opens, most people will choose to wager through legitimate channels, whether they are conducted online or offline. Because of this, the unregulated market's liquidity will evaporate, and the likelihood of a price being reached will drop dramatically. There will be responsibility for the vast quantities of money transmitted through unlawful routes, which would lead to a reduction in the number of occurrences of match fixing, money laundering, and other crimes if sports betting is regulated. This is the primary advantage of regulating sports betting. Additionally, as a result of the progression of time, society has evolved to tolerate activities related to betting and no longer considers betting to be a deviant activity. Therefore, the most pressing issue at hand is the development of an effective regulatory framework, the central tenet of which should be to decide whether to allow or regulate betting while stopping short of outlawing the activity entirely.

VII. INTERNATIONAL LAWS

Gambling and betting being major industries for many countries, require adequate government interference and regulatory frameworks. Smooth running of this industry can be made sure with the application of appropriate rules and regulations in this sector. This section of the research paper talks about the various laws around the globe for the gambling industry.

Until 2018, the United States had a regulatory body called the “Professional and Amateur Sports Protection Act” (PASPA). This body was struck down to give each state the liberty to decide the legality of betting in their territory. A complicated web of state and federal entities oversees gambling and sports betting regulation in the country. Every individual state to legalize betting, are required to develop their

own distinct regulatory organizations. The state-level regulatory body that oversees gaming and sports wagering differs based on the region. Sports betting and gambling are prohibited in some states, while they are controlled and taxed by state gaming commissions or lottery boards in others. Majority of states have restricted the age for betting to 21. Since 2018, 30 states have been able to legalize sports betting. The betting forms which are permitted, vary from state to state. The United States Department of Justice, which is in charge of overseeing the enforcement of federal gambling laws, is the main regulating body at the federal level. To control gambling, the Department of Justice primarily enforces federal laws including the “Unlawful Internet Gambling Enforcement Act” (UIGEA) and the “Wire Act”. There is also an AML compliance in the betting sector which is supervised by FinCEN.

Another country with a reputable gambling jurisdiction and strict compliance requirements is Australia. Like the USA, all individual states are free to develop their own gambling regulations. The organization responsible for overseeing gambling and betting in Australia is called the “Australian Communications and Media Authority” (ACMA) The “Interactive Gambling Act” of 2001 (IGA) and other pertinent laws must be complied with by all gambling and betting operations in Australia, according to the ACMA. Australia also has an AML regulator for the industry and the age restriction set by the authorities for performing gambling and betting is 18. The difference between the terminologies gambling and betting in Australia differ from state to state.

The “Gambling Commission” is responsible for overseeing gambling and betting in the United Kingdom. The commission, which was founded per the Gambling Act of 2005, is in charge of policing all types of gambling in the nation, including those at casinos, bookmakers, and internet gambling platforms. The Gambling Commission is vested with a broad range of regulatory responsibilities, including the authority to grant and cancel licenses to gambling operators, to ensure adherence to gambling laws and regulations, and to levy fines and other sanctions for non-compliance. The Gambling Commission carries out research on the effects of gambling on society and the economy in addition to its regulatory duties.

The “Remote Gambling Act” (RGA) of 2014 is the regulatory body in Singapore for gaming and sports wagering. The RGA is a legislative framework that handles the licensing, supervision, and management of online gambling in Singapore. To address the growing concern about online gambling and its potentially detrimental effects on society, it was passed. The Ministry of Home Affairs and the Gambling Regulatory Unit (GRU) of the Singapore Police Force are in charge of running the RGA. The GRU is in charge of upholding the RGA's laws and providing licenses to operators that adhere to its stringent regulations. The RGA forbids all types of remote gambling, including online sports betting, unless it is carried out by a licensed operator.

Provincial and territory governments in Canada have the authority to regulate gaming. Each province and territory have a separate regulatory body in charge of policing the local gambling market. The regulating agencies in Canada are in charge of making sure that gambling is carried out honestly and fairly, and that the interests of both players and the general public are safeguarded. They are in charge of implementing the laws and norms governing the sector. They also supervise the licensing of operators and the approval of games.

The “Gaming Inspection and Coordination Bureau” (DICJ) is the regulatory body in charge of regulating how casinos are run in Macau. The DICJ was founded in 1997, and its primary goal is to make sure that Macau's gambling sector is run fairly and openly. The DICJ mandates casinos to abide by anti-money laundering laws and put in place stringent anti-money laundering procedures to accomplish this goal. The DICJ also establishes requirements for the fairness and integrity of casino games and regularly audits and inspects casinos to make sure these requirements are being met. Casinos must employ authorized hardware and software to guarantee the integrity of their games, and the DICJ keeps an eye on them to stop fraud. The DICJ also collaborates closely with other governmental organizations to guarantee that Macau's gaming industry is run ethically and sustainably. The casino sector in Macau faces difficulties despite the legal structure in place, such as growing competitiveness and worries about compulsive gambling. The DICJ is looking at new policies and measures to ensure the long-term viability of the gaming sector in Macau to address these issues. In conclusion, the DICJ plays a critical role in preserving the integrity and fairness of the gaming sector in the region. Macau casinos are subject to tight and extensive regulatory oversight.

VIII. REGULATORY FRAMEWORK IN INDIA

It is essential that the Indian government sets out logical and positive measures regarding gambling and betting to combat the various industry issues. Regulation can help the government to prevent cases of gambling by minors, problem gambling and also help to detect fraud and money laundering. There should exist a proper regulatory authority at the central level to benefit the government and to create harmony among the states. As of now only few states have regulatory bodies such as Goa, Nagaland and Sikkim. Important components for the regulatory framework which are already existing or are proposed by experts are mentioned below.

Licensing

Various types of licensing are required for offering different products. Casino licenses are required in India under the GDD act. Operators offering poker may allow skilled versions of the game without a license in all states except for Telangana, Gujarat, Sikkim and Nagaland. Licenses are also required for betting on horse races although no license is required in the case of online betting of horse races. For fantasy betting, any game which qualifies as a game of skill, doesn't require any licensing. Lotteries, a popular choice for many since decades, require authorization from the state government to offer the product, although private lotteries are strictly banned. Despite the heavy licensing measures by the government, the gambling and betting industry still has to face difficulties due to other factors. A centralized licensing procedure from gaming authorities would help to make the process smoother.

Responsible Gaming

The absence of necessary regulations in the industry have caused various self-regulatory associations, such as IFSG and AIGF to release a few important requirements. There should be adequate player protection measures such as age gating and self-exclusion options should be made available. There should exist transparency and the terms and conditions on gaming platforms must be disclosed completely including the rules. The deposits and the charges related to the winnings must be completely transparent to the customers. The target audience of gaming advertising should be strictly regulated in order to reduce any negative influence caused by the industry. There should be a level of financial integrity and the

organizations should always maintain record of the transactions of the funds. All the gaming operators in the country should use tools for thorough and accurate data collection. They must require their players to provide them with the Aadhar numbers. This would help to go one step ahead with the know your customer initiative (KYC). For such industries, collecting the individual's demographic and biometric data becomes essential. There are also other measures that organizations could apply such as self-regulation. Users should have an option to have a self-defined time limit and spending limit in order to prevent extra losses.

Anti-Money Laundering

An AML program becomes essential to prevent suspicious consumers and financial transactions from entering into the system. Revenue gained from illegal sources is often used to sponsor betting as a leisure activity. Fraud attempts and money laundering hurdles can be avoided with an AML program. Criminals may utilize betting and gambling to launder their illegal gains by placing bets or wagers and then withdrawing the winnings as legitimate monies. Because of the high sums of money involved, these businesses are an appealing target for criminals wanting to launder their earnings. AML programs are intended to aid in the prevention of money laundering by putting in place systems and procedures that detect and deter suspicious transactions. They compel businesses to verify their customers' identity, monitor their transactions, and report any suspicious activity to the appropriate authorities. Companies in the betting and gambling sector can assist safeguard themselves and their clients from illicit conduct by implementing AML programs. Failure to comply with AML requirements might result in serious legal consequences.

Advertising

There is an existing regulatory body set up to restrict the advertisements on television and broadcasting. As per the Advertising Standards Council of India (ASCI), advertisements which include products that are banned, are prohibited. Most of the gambling organizations restrict publishing or circulating any information which promotes the practice of gambling. It is essential to put regulations on advertising mediums which could send messages of gambling and betting organizations, as it could end up reaching the wrong receiver. Problem gamblers and minor gamblers must be reduced using adequate regulations on gambling as it is something which could cause addiction. In conclusion, measures need to be taken in order to reduce encouragement of gambling behavior which is considered to be socially irresponsible or could lead to financial or emotional harm.

Grievance Redressal Mechanism

MeitY, which is the ministry of electronics and information technology, has drafted rules for the online gambling sector. The central government must set up a grievance redressal system where individuals can lodge their complaints and objections. It is proposed that each issue must be tracked with a unique number, acknowledged within a time span of 24 hours and finally resolved within 2 weeks. The proposed rules also state that a grievance officer, a nodal officer and a chief compliance officer must be appointed. These proposals are made to ensure that individuals getting into online betting activities feel safe about their security and privacy.

IX. HEALTH AND SOCIAL IMPACTS

The most significant social impact of the betting and gambling industry is the high potential for addiction and problem gambling. These issues can further lead to other negative mental health difficulties such as anxiety and depression. The addiction caused by betting makes it easier for individuals to go through huge monetary losses. Financial difficulties are enhanced due to this behavior, such as bankruptcy and debt. This industry is commonly associated with having lots of criminal activities. There is a possibility that the country's crime rates could face a rise after the legalization of betting and gambling. Due to the stress of winning and losing, people tend to develop mental health issues. These mental issues in turn affect the individual's relationship with their family and friends. A major negative social impact of addiction to betting could be an unfortunate family breakdown of an individual. In a country like India, which is developing at a very fast pace, productivity of individual citizens is essential. Cases of problem gambling or addiction to gambling have shown that it tends to be a major distraction which eventually causes reduced productivity at the workplace. A study by a researcher has also shown that there could be a potential link between casinos and drunk driving. There has been an observation which showed that alcohol related fatal accidents have increased in the areas with casinos. Overall, the health and social impacts caused by betting and gambling are expected to be on the negative side.

X. CONCLUSION

After analyzing the existing betting and gambling market of foreign regions, it can be clearly seen that various factors have been able to show a positive impact. Amongst all the five foreign regions of the world, we can witness a substantial growth in annual revenues for the gambling organizations and growth in tax revenues for the government. The gambling industry also helps in promoting other industries such as tourism and helps in overall development with more job opportunities and infrastructural development for the nation. The integration of online betting with the popular sports such as soccer, football and basketball, along with the conventional forms of betting and gambling such as lotteries and casinos are capable of giving sizable benefits to individual economies. The capable revenue generation for India after the legalization of betting has been estimated using factors such as disposable income, consumer spending index, inflation and internet penetration. The regression of these factors evidently shows a possible expansion of the GDP by 0.77% which would benefit the government to have a 0.16% increment in their tax collections. To attain these benefits for the country, it becomes essential to have an effective regulatory body. Examining the international laws, we can conclude that India requires a revised regulatory framework for the betting and gambling industry. Appropriate laws and regulations for responsible gambling and for reducing criminal activities will provide an avenue towards a successful betting industry. Although it is important to consider the various negative health and social impacts which could arise from this industry. In conclusion, the nation can enjoy a plethora of benefits after the legalization of the betting and gambling industry despite the initial challenges that are likely to arise.

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