

THE ECONOMIC AND SOCIAL EFFECTS OF DIGITAL GAMBLING

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The gambling industry in the world has experienced meaningful growth over the past years. As the industry continues to expand, the effects of employment status on gambling behavior related to problem gambling also increase. In the latest decades, numerous nations around the earth began to legalize various types of gambling activities. Computer games have increasingly replaced more traditional games as leisure activities and have had a transformational impact on how we spend our leisure time. The availability of new platforms and technologies for the delivery of games is an essential factor in continued growth.

Keywords: economic effects; social effects; economic growth; gambling; unemployment.

ЭКОНОМИЧЕСКИЕ И СОЦИАЛЬНЫЕ ПОСЛЕДСТВИЯ ЦИФРОВЫХ АЗАРТНЫХ ИГР

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Индустрия азартных игр в мире значительно выросла за последние годы. По мере расширения обостряется и проблема связи между занятостью и этим сектором. В последние десятилетия многие страны мира начали легализовать различные виды азартных игр. Компьютерные игры начали заменять традиционные игры в качестве хобби и оказали большое влияние на свободное время. Наличие новых площадок и технологий для организации игр – весомый фактор постоянного роста их продаж.

Ключевые слова. экономический эффект; социальный эффект; экономический рост; азартные игры; безработица.

Introduction: In the latest decades, numerous nations around the earth began to legalize various types of gambling activities. Computer games have increasingly replaced more traditional games as leisure activities and have had a transformational impact on how we spend our leisure time. Entertainment games provide engaging activities, and it would appear that far from diminishing, interest in games for leisure is still growing. The availability of new platforms and technologies for the delivery of games is an essential factor in continued growth. As a result, the topic chosen for the study is relevant. The aim of the study is to examine whether the economic benefits of the gaming industry compensate the problems they cause, with particular attention to its impact on unemployment. The task was to obtain quantitative characteristics of the

relationship between the gambling sector and socio-economic development by studying various studies.

Digital gambling allows one to present specific identities, and a large part of that identity is the game or the games that one chooses to play. Hence, different types of people may engage in different gambling activities with other subsequent effects. Are there distinctions between people who prefer various gambling activities? For example, problem gamblers can be classified into subgroups based on their path to arousal: a subgroup that uses gambling as a means of increasing arousal and a subgroup that uses gambling as a means of reducing arousal.

People with gambling difficulties often put more importance on winning money than people without gambling problems. In commercial culture, winning is associated with successfulness, comfort, and a more vibrant life. Some games, such as lotteries, offer the illusion of winning big with a small bet. Thus, while lotteries are considered relatively painless for the most part, people feeling financial worry may spend more than they can afford on lotteries, with the senseless hope of winning big. Hence, the social context of gambling is essential.

In 2019, the total European betting market was deserving €98.6bn, with online gambling estimating €24.5bn and land-based betting accounting for €74.1bn in gross gaming revenue [6]. In 2020, entire gaming revenue dropped by 23 % to €75.9bn because of COVID-related closures on land-based gambling. Online gambling revenue increased by 7 % to €26.3bn gross gaming revenue grow steadily to reach €37.3bn [6]. Looking forward, the steady growth of Europe's gambling market is expected to continue, with €97.2bn, where €28.7bn is in the online gambling market. The resting years it is expected to continue to remain nearly at the same level. By the way, Sports betting continues to be the most popular online gambling activity, with a 41 % share of Europe's online revenue and worth €10bn in gross gaming revenue in 2020.

This topic, in turn, is very useful in understanding the overall amusement value of gambling to society, the social impacts of providing gambling, and the types of gambling most strongly associated with problem gambling.

The present research aimed to investigate differences and similarities that are involved above in more detail. More specifically, in this research, we pursued the following:

1. Are gambling spoiling or building society?
2. What are the possible circumstances for gambling?
3. Should gambling be banned forever?

Data Description and Empirical Methodology: The data for the study was obtained from international websites, for the period of years 1959–2021. After obtaining the time series data set through the data preparation phase from World Bank or Economic Research websites, algorithm was applied for clustering.

Clustering is the task of grouping a set of objects so that things are in the same group. As suggested the most suitable values are four or five but because of the fact that the data is annually and monthly, after applying the algorithm, we obtained clusters with observations of Gini Index and Unemployment rate.

Estimation: Main Results and Analysis: This study aimed to estimate the consequences of economic growth, especially employment status, on gambling performance and its relation to problem gambling. When we think of the impact of

gambling, specific questions spring to mind, like financial worries, connection difficulties, and other dangerous issues. But we might not be aware of the emotional effects of gambling, which many people experience no matter how much or how often they bet. These effects start small and often build up, causing pressure in our lives.

Gambling is all about passions. But there are other emotions too. When looking at specific gambling, the impact of gambling habits on unemployment varies from a tiny negative to a small actual effect size. Most gambling types did show significant association with unemployment.

Summary: Gambling is no longer an activity punished by government officials who wish to impose ethical standards on their communities. In theory, lotteries, racetracks, casinos, and electronic games can fill with funds to support worthy government programs. Gambling can provide jobs with good benefits to unemployed people. However, negative life choices are linked to the problem of gambling. Behavior associated with this type of gambling includes death, divorce, homelessness, family abuse or alcohol and drug use, low grades, and financial issues. Studies have also linked gambling to homelessness. The social costs of gambling can be considered from both individual and societal perspectives. Personal financial problems related to a problem or pathological gambling include crime, loss of employment. Employers experience losses in the form of lowered productivity and time missed from work. So, gambling can become a driving habit, ruining the lives of people who run up huge debts or gamble away their personal or family income and savings. Gambling as a tool of economic development remains uncertain, with strong advocates on both sides. It is a harmless diversion for most people that individuals should be free to spend their money as they wish.

On the other hand, gambling is an excellent source of revenue for the government; casinos and other gambling operators pay taxes and license fees.

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