

A Study on Legalization of Betting in India, in Reference with Game of Skills and Game of Chance

R. Deepak¹ and Mrs. Aruna A. R.²

Assistant Professor, Department of Management Studies²

Saveetha School of Law, Saveetha Institute of Medical and Technical Science (SIMATS), Chennai

deepakramakrishnan221@gmail.com and arunasathis@gmail.com

Abstract: *The Indian law though differentiates between games of skill and games of chance. As an example, games like India bet365, Dream eleven aren't gambling as they involve "mere skill" selecting of players or team though the end result of the sport depends upon the possibility however choosing of player or team . It involves some skills and can't be termed as associated game of chance. The objective of the research is, to understand the difference between games of skill and games of chance, to study the economic benefits by legalizing betting, to analyse the effects of gambling, to study about the measure taken to reduce gambling addiction. The researcher has done descriptive study on issues in legalization of betting in India. The primary information for the research is collected through online method from 203 randomly selected respondents. The independent variables are age, gender and education qualifications. The dependent variables are, will legalization of betting contribute to the economy of the nation, in scale 1-10 rate, is betting on horse race gambling, what do you think are the effects of gambling, how to reduce gambling addiction. The aim of the paper is to study about the issues in legalizing betting. The findings of the research is that legalizing betting will contribute to the economy of the nation, but the monitoring of the money flow will be the greatest problem. Hence, before legalizing the betting culture the legislation should be assisted and shape the law accordingly.*

Keywords: Online betting, gambling, games of skills, legalization, Underground market, game of chance.

I. INTRODUCTION

In India gambling or betting may be a state subject and every state square measure unengaged to frame their own rules. Like Daman, Goa provinces area, are the sole states from the twenty eight states in India wherever gambling is legalized. The main reason behind the lawfulness of gambling or betting in these states is foreign tourist attraction as gambling is legal in several of the foreign jurisdictions. The law states that within the sport like horse racing gambling is legal because it isn't solely a game of skill however involves action of associate horse associated a rider that can't be taken into account as a game of chance .The Indian law though differentiates between games of skill and games of chance. As an example, games like India bet365, Dream eleven aren't gambling as they involve "mere skill" selecting of players or team though the end result of the sport depends upon the possibility however choosing of player or team . It involves some skills and can't be termed as an associated game of chance. Industry lobby body FICCI calculable in an exceedingly 2013 report that the underground marketplace for looking in cricket is roughly the prince of Three hundred crore. The government revenue from that might be around Ten crore, in keeping with the All Asian countries play Federation (AIGF) that has been pitching for legalising looking on the lines of racing, that is considered a game of ability and not probability . Legalising looking on crickets will herald a considerable quantity of FDI.

Betting on sports, except racing, is illegal in India however it happens Lawlessly in associate degree, unorganised and underground manner. But the legalisation of gambling is associate degree state interest, the first casino opened in India is in 1999.The All India gambling Federation (AIGF) has sought-after a central legislation permitting online gambling and controlled looking on cricket, spoken language the govt stands to earn thousands of large integer in tax and revenues each year. The Federation submitted a study to the Law Commission, that is functioning on a draft law during

this regard. The government has been mulling the thought of regulation the arena and generating tax by part legalising the arena. On a reference from the Supreme Court last year, the LCI began performing on a draft law to let sports gambling. The RM Lodha committee that was shaped once a spot fixing scandal in cricket came to light-weight had counseled legalising gambling in cricket. Based on a 2013 report ready by FICCI, the underground gambling market in India is calculable to be price Three lakh crore. AIGF estimates that even by conveyance 1/2 the underground market through regulation, the govt stands to realize over Seven thousand large integer in tax each year and nearly ten thousand crore large integer can are available in through FDI.

Just like cricket may be a game of skill, thus is depending on the end result of the sport. This can be just like racing and that we wish the law to permit depending on one, on the idea of the opposite, Roland Landers, CEO, AIGF told HT. After AIGF officers met law commission meeting, commission officers confirmed that they're currently "considering the industry's demands". The panel had invited comments from stakeholders . "Strict rules against gambling and gambling haven't essentially acted as a deterrent. Online gambling and indulgently is another space that has become terribly troublesome to curb," the commission determined whereas attractive suggestion's .The federation has demanded that the govt. Outline 'skill' and produce a law to issue unified online recreation licences underneath the Centre. So people can't build businesses around ambiguity.

Aim : Aim of the paper is to study the issues in legalizing betting.

Objective:

- To understand the difference between games of skill and games of chance
- To study the economic benefits by legalizing betting.
- To analyse the effects of gambling.
- To study about the measure taken to reduce gambling addiction.

II. REVIEW OF LITERATURE

1. Varum Srinivasan (2015), this paper highlights the loophole in gambling and virtual realm, and the attempt to regulate the gambling and betting culture in India. The suggestion given is that to assist the legislation and shape the law accordingly.(**Singhania 2011**)
2. Mahwish Hafeez (2019), the objective of the research is to study online gambling and other activities online, per day. The distribution of online gamers is that 85% of female gamers are casual gamers and 75% of male gamers are casual gamers, where as the rest are involved in gambling.(**George and Kallivayalil 2021**)
3. Mike Huggins (2007), objective of the research is attitude of betting during the interwar period. Findings is that there is an increase in betting rate between 1920 to 1938, the spending on betting increased from 1.3% to 5%. Issues are the anti gambling groups decline the betting fails as negligible.(**Bhatia et al. 2019**)
4. John A.Prince (1972), objective is to study the gross culture analysis of gambling and useful settings, the study has comparatively examine the culture of gambling with various societies and differing the differing intensity of gambling various from place to place and culture to culture.(**Bhattacharjee 2018**)
5. Alan Meister (2017), objective of the study is to find the Indian online gambling revenue. The revenue was 3% in 2011 and increased to 4% in 2014 and 5% in 2015. The revenue of gambling increase steadily from the year 2010 to 2015 in India.(**Wiesbaden 2013**)
6. Stevie Watson (2004), the objective is study on congressional efforts in prohibition of gambling, should be reassessed and recommend legislation regulating the interest of gambling and the existing land based casino and its regulatories.(**Forrest, n.d.**)
7. Hauratty (2015), the paper study about the gambling industry in Ireland and its operating profit, instead of betting, they started involving in multiple gambling forums. The 18 to 25 aged youngsters have contributed to the income of 15.6million in the Irish stores(**Marcus and Tyrone Marcus 2011**).
8. William R.Eadington (1998), the study examines the underlying economy of the political dynamics, the proliferation permitted gambling in the nation. The united states and other countries in the past decades trying to give justification for legalizing gambling (**Lee et al. 2017**)

9. Roger Clarke (2001), the objective of the study is the new challenges in the government regulatory agencies and existing other factors, the approach in betting, lottery is changing due to the nature of the internet technology, in particular aspect of gambling. **(Che, Feddersen, and Humphreys, n.d.)**
10. Ajay Sarangam (2021), the purpose of the paper is to examine the popularity of the cricket related corruption and the issues faced by the coaches administrators and the player perception in the game and problem in spot fixing in the premier leagues. **(Paul et al. 2020)**
- 11 John Warren kinda (2004), The objective of the study is to understand the gambling market and its economic optimism and state legislatures. The gambling boom in the year (1980-1990). The gambling invigator and re marketable industry gambling. **(Parra-Díaz et al. 2021)**
- 12.Charles P.Ciaccio (2010), The billion gross yield in the national lottery is 3billion, that is 20.6% of the remote gambling in the casino and the betting, the treaty and the commodity of gambling. The deregulation gambling in the epitomizes central. **(Islam et al. 2020)**
- 13.Radhika Gupta (2013), the study based regarding our law, policy and debates and two browsing in the policy making, responded in the scandals of sebening of sports in India. **(Singh, Chaudhary, et al. 2020)**
- 14.Donald.S.Siegel (2008), objective of reviewing the betting duties by the government and the reduction in the betting taxes to increase e-commerce. The replacing of the current betting duties, properties, stakes and gross profit tax. **(Sutar 2020)**
15. Pin Verschuuren (2018), study on the evolution of the betting and the product of fantasy sports, the activeness of the prohibitory regime of the sports betting and the states of the officially contesting of the federal ban of betting. **(Singh, Schiebener, et al. 2020)**
16. Ramachandra Gupta (1998), objective of the study is on the critical cricket and the politics of the Indian National Congress, the political rights of the subject population and the defender of sporting rights of the Indian cities. **(Brakoulias et al. 2020)**
17. Stephen Nuesch (2011), study on the organizational regime of the betting market and the impact of the sentimental of the bookmark betting market and the model of demonstration of the assumption on the natural demand. **(Bandyopadhyay, Pammi, and Srinivasan 2019)**
- 18.Wlodek Rabinowicz (2013), the problem in the betting of the interpretation of the historical influential betting and interpretation of the subjective of NFL and seems easy in the profitable market efficiency and the betting in perennial. **(Reardon et al. 2019)**
19. Linda.M.Woodland (2015), the impact of the sport like race track betting market that are functioning for more than 50years. The popularity of the fantasy sports and the effectiveness of the probability regime by the federal ban betting. **(Rajan et al. 2018)**
20. Stine Simonsen Pari (2015), the paper focused on the prediction of the Indian gambling market and the fieldwork in the Delhi racecourse emphasize the importance of embedding the importance of the existing system of exchange. **(Kumar, Kumar, and Benegal 2018)**

III. METHODOLOGY

The researcher has done descriptive study on issues in legalization of betting in India. The primary information for the research is collected through an online method from 203 randomly selected respondents which included the family friends and relatives of different age groups with a well framed and structured survey questionnaire. The questions put forward in the survey to the respondents are specifically to the adult to know the view about whether legalization of betting will contribute to the economy. The secondary sources used by the researcher for the study is by referring to books, research articles, e-sources, articles, journals, newspapers. The study is not biased and done by collecting information from both primary and secondary sources by the researcher. The independent variables are age, gender and education qualifications. The dependent variables are, will legalization of betting contribute to the economy of the nation, in scale 1-10 rate, is betting on horse race gambling, what do you think are the effects of gambling, how to reduce gambling addiction.

HYPOTHESIS:

Alternative Hypothesis:

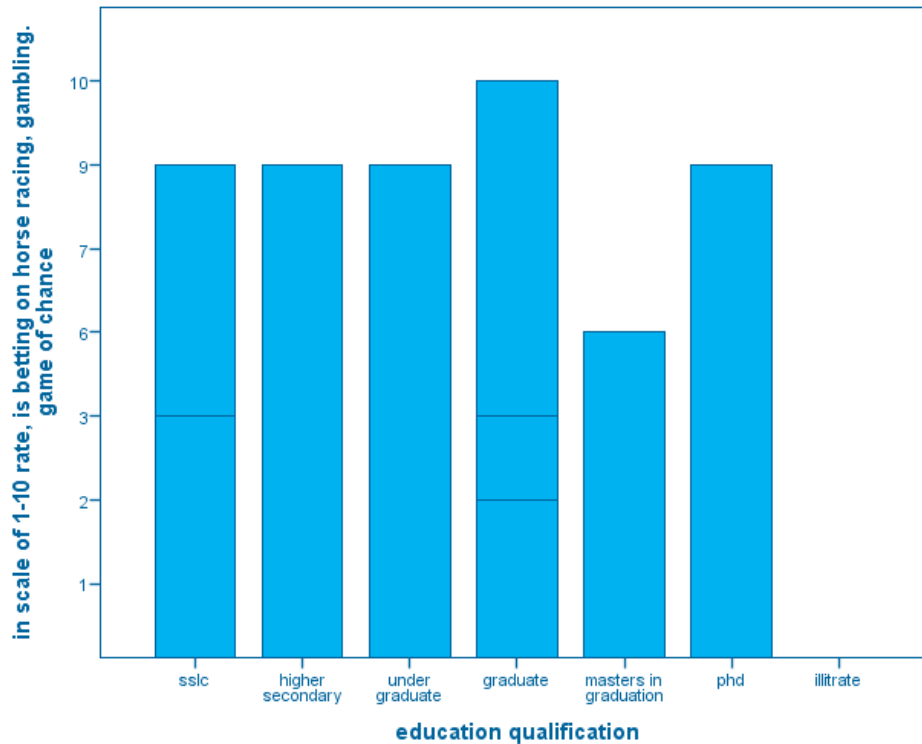
Legalization of sports betting will contribute to the economy of the country.

Null Hypothesis:

Legalization of online betting will not contribute to the economy of the country.

Graph :-

Fig 1:



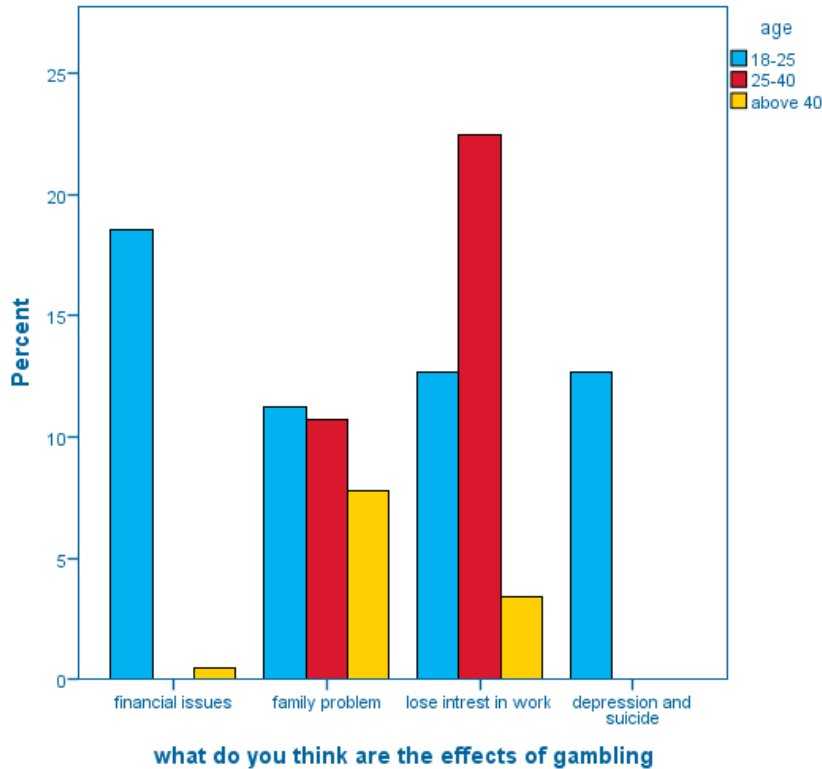
Legend :-

The fig1, shows the comparison between the education qualification and the dependent variable is horse racing a game of chance.

Result :-

The fig1, shows the comparison between the education qualification and the dependent variable is horse racing a game of chance, on which the respondents have responded that it is a game of chance. The higher secondary qualified have clusteredly rated 9 and the masters in graduate have rated 6, the graduates have mixedly rated.

Fig 2:



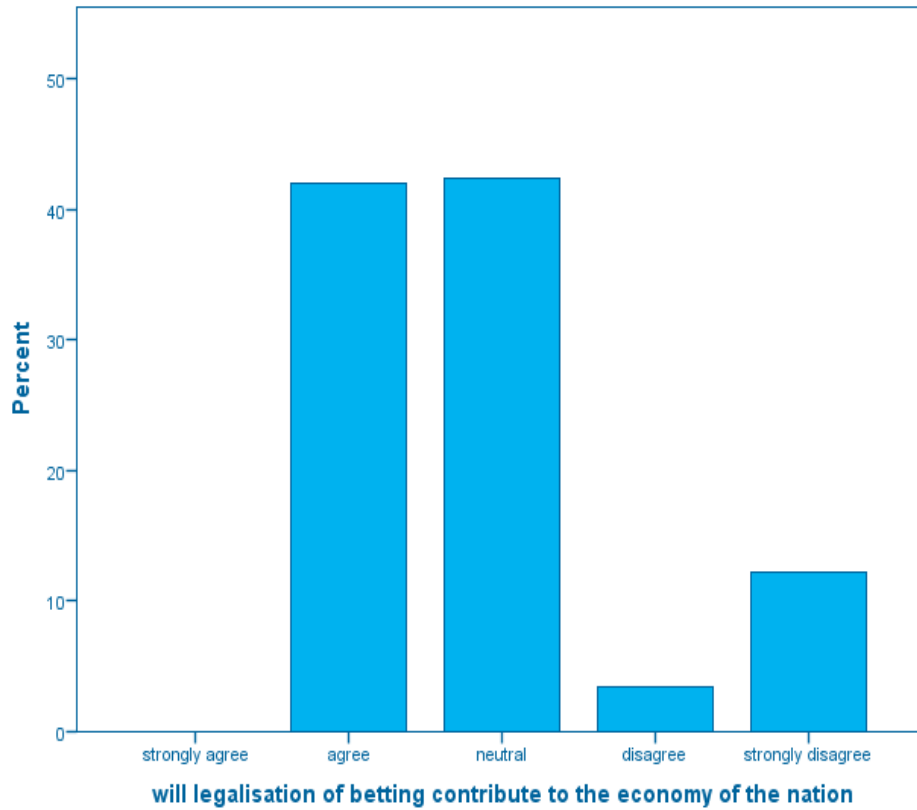
Legend :-

The fig2, shows the comparison between the age and the dependent variable, what do you think are the effects of gambling.

Result :-

The fig2, shows the comparison between the age and the dependent variable, what do you think are the effects of gambling. Age people of 18-25 have responded 18% to financial issues, 12% to lose in interest in work and depression respectively. The respondents of age 25-40 have rated 24% for lose in interest in work, and the respondent above the age 40 have above 5% for family problem.

Fig 3:



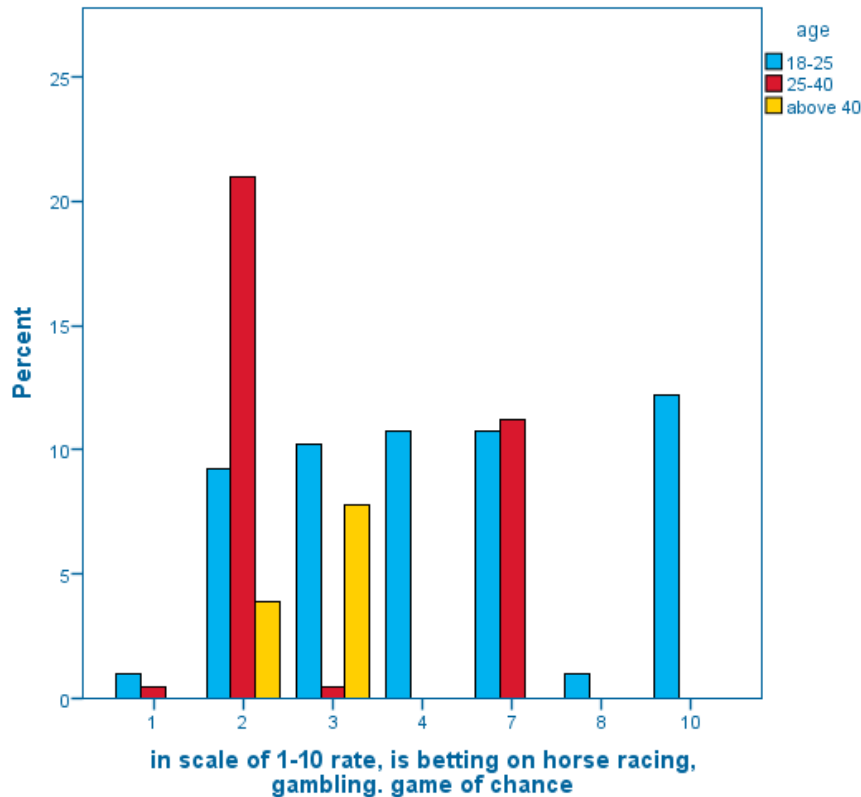
Legend :-

The fig3, show the responses which have been collected that the legalization of betting contribute to the economy of the nation.

Result :-

The fig3, show the responses which have been collected that the legalization of betting contribute to the economy of the nation. There is no response for the option strongly agree, more than 40% have responded agree and neutral respectively, 10% of the respondent strongly disagreed.

Fig 4:



Legend

The fig4, show the clustered graph representing the relation between age and the dependent variable is betting on horse racing, game of chance.

Result :-

The fig4, show the clustered graph representing the relation between age and the dependent variable is betting on horse racing, game of chance. The respondents between age 18-25 have mixedly responded, respondents of age 25-40 have rated more than 20% to 2 and 10% in 7. The respondent above age 40 have 3% rated 2 and 7% rated 3.

IV. DISCUSSION

The fig1, shows the comparison between the education qualification and the dependent variable is horse racing a game of chance, on which the respondents have responded that it is a game of chance. The higher secondary qualified people have rated higher has they might not have participated in gambling like horse betting. The graduates have mixedly rated has they contain people from both how have better and not better, so it gave a mixed response. The master graduates have rated averagely has they might have a wider vision and consider it has game of skill but it is against the moral.

The fig2, shows the comparison between the age and the dependent variable, what do you think are the effects of gambling. The respondents above the age 40 have rated most to family problems, as they might have experienced such incidents. The respondents of age 25-40 have responded more to loss in interest in work as they mostly are the working age group they may feel work has the great problem. The respondents of age 18-25 have randomly rated has they mostly might not have experienced this situation.

The fig3, show the responses which have been collected that the legalization of betting contributed to the economy of the nation. The respondents have not responded to strongly agree as the social structure might restrict their mind in

betting. The respondents have responded the most to agree and neutral has they don't strongly believe that legalization of betting will help the economy. The 10% respond end have strongly disagreed, it might be of the ethical reasons which might have considered.

The fig4, shows the clustered graph representing the relation between age and the dependent variable betting on horse racing, game of chance. The respondents between age 18-25 have mixedly responded that they don't have a clear view about the concepts of betting, respondents of age 25-40 have rated the least or the highest as it might represent the person who is involved in betting and not involved in betting. The respondents above age 40 have rated the least, because in the early 20 the horse betting was popularly participated by many and this must be the reason they consider it to be a game of skill.

Limitations

The limitations in legalizing betting is that, it will destroy the integrity, integrity is a core component in any activity, but in sports and games is crucial to its success. It serves the basis for the enjoyment of participants and spectators. But if the gambling and betting are legalized, integrity and honesty will be under great threat. Match fixing and spot fixing would drastically increase. Athletes and players will be tempted. Psychologically, players attracted to gambling naturally because of their competitive nature, media success, money and self-assured sense of entitlement. If betting were to be legalised, this lower class of the country will affect. Betting attracts the common man to try their luck and tempts them to play with money. It is very tough to imagine the consequences of a poor person losing his hard-earned money or his life saving on betting. Law commission report on legalizing gambling

V. CONCLUSION

There is an overwhelming support backed by the law commission report for the idea to legalize gambling. Some of the important points put forward are the failure to control illegal betting (large scale), government losing a huge revenue-earning opportunity, employment generation. So the only recourse left is to legalise, regulate and tax which can lead to huge income. In the recent past, the law commission has overwhelmingly supported the legalisation of gambling in India. The arguments which were put forward were like, the inability of the government to curb such a large scale illegally operated gambling industry, government losing the opportunity for earning high revenues, and employment generation. So, they concluded that the only way to solve this problem is to legalise gambling. Though the arguments were worth thinking about, but there is no guarantee that legalising gambling would be as beneficial as projected. Legalizing gambling activities would not only demand a higher legal framework for regulating betting activities but also for other nefarious activities like drugs, prostitutes, etc. So, the concerned authorities should thoroughly go through the pros and cons of legalising gambling sector because there decision will have a great impact on the society.

REFERENCES

- [1]. Varun Srinivasan (2015) Madras law journal , 1 , vol.82 part No.2 (22 pages)
- [2]. Mahwish Hafeez online gaming , activities, vol.39, No.3 (Autumn 2019) pp.22-36
- [3]. Mike Huggius, Vol 41, No.2 , (winter 2007),pp.283-306 (24 pages)
- [4]. Stive Simonseu puri, comparative study of south Asia, Africa - Mideast, 35(3), 466-480(2015)
- [5]. John .A. Price , (1972) gambling traction in Asia Anthropological , Vol 14 , No.2 , pp.157-180
- [6]. Ala u Meister (2017) , India gawbling industry
- [7]. Stevie Watson legalization of gambling consumer protection Vol.23, No.2 (fall 200) po.209- 216
- [8]. Hauratty (2015) gawbling behaviour of youngster 10(1) pp.78-88
- [9]. William R. Eadington (1998) Casino style gambling Vol556, pp.53-65
- [10]. Roger Clarke, (2001) feasibility of regulating gambling internet , vol 22 , no. ½ po.125-132
- [11]. John Warranty kiudt (2004) legalized betting the cost economic approach pp. 115- 137
- [12]. Ajay Saraugary (2021) Integral part of gambling organization (IIGSAW)
- [13]. Charles P. Ciaccio Internet gambling recant development vol.25, No.1, pp.529 ,553 (2010)
- [14]. Raddlirka Gupta , (2013) , legalising Betting reflecting law, vol1.48, pp.13-15
- [15]. Raadlirka Gupta (2013), legalizing Betting, reflecting law, vol 48,pp13-15

- [16]. Donald S.Siegel, e-commerce of revolution, ta nation vol 112, No 480, pp296-314
- [17]. Pin Verschuuren (2018), Money laundering sport vetting, pp 113-136
- [18]. Rawachandra Gupta (1998), cricket and politics colonial India, No161, pp 155-190
- [19]. Stephen Nuesch (2011), sentimental regime of Betting market col 78, No 2, pp 502-518
- [20]. Wlodek Rabinousing (2013), problem betting interpretation col.190, No.5, pp809-830
- [21]. Linda.M.Woodland (2015) Football league season market vol.82, no.1 ,pp.38-54.
- [22]. Bandyopadhyay, Debarati, V. S. Chandrasekhar Pammi, and Narayanan Srinivasan. 2019. "Incidental Positive Emotion Modulates Neural Response to Outcome Valence in a Monetarily Rewarded Gambling Task." *Progress in Brain Research* 247 (May): 219–51.
- [23]. Bhatia, Urvita, Bhargav Bhat, Sanju George, and Abhijit Nadkarni. 2019. "The Prevalence, Patterns, and Correlates of Gambling Behaviours in Men: An Exploratory Study from Goa, India." *Asian Journal of Psychiatry* 43 (June): 143–49.
- [24]. Bhattacharjee, Shakya. 2018. "Impulse Control Disorders in Parkinson's Disease: Review of Pathophysiology, Epidemiology, Clinical Features, Management, and Future Challenges." *Neurology India* 66 (4): 967–75.
- [25]. Brakoulias, Vlasios, Vladan Starcevic, Umberto Albert, Shyam S. Arumugham, Brenda E. Bailey, Amparo Belloch, Tania Borda, et al. 2020. "The Rates of Co-Occurring Behavioural Addictions in Treatment-Seeking Individuals with Obsessive-Compulsive Disorder: A Preliminary Report." *International Journal of Psychiatry in Clinical Practice* 24 (2): 173–75.
- [26]. Che, Xiaogang, Arne Feddersen, and Brad R. Humphreys. n.d. "Price Setting and Competition in Fixed Odds Betting Markets." *The Economics of Sports Betting*. <https://doi.org/10.4337/9781785364556.00009>.
- [27]. Forrest, David. n.d. "Sports Corruption and Developments in Betting Markets." *The Economics of Sports Betting*. <https://doi.org/10.4337/9781785364556.00016>.
- [28]. George, Sanju, and Roy Abraham Kallivayalil. 2021. "Family Therapy Interventions in India for Persons with Gambling Disorder." *Asia-Pacific Psychiatry: Official Journal of the Pacific Rim College of Psychiatrists* 13 (1): e12435.
- [29]. Islam, Md Saiful, Md Safaet Hossain Sujana, Rafia Tasnim, Most Zannatul Ferdous, Jakir Hossain Bhuiyan Masud, Sourav Kundu, Abu Syed Md Mosaddek, M. Shahabuddin K. Choudhuri, Kagan Kircaburun, and Mark D. Griffiths. 2020. "Problematic Internet Use among Young and Adult Population in Bangladesh: Correlates with Lifestyle and Online Activities during the COVID-19 Pandemic." *Addictive Behaviors Reports* 12 (December): 100311.
- [30]. Kumar, Rajesh, Keshav Janakiprasad Kumar, and Vivek Benegal. 2018. "Cognitive and Behavioural Dispositions in Offspring at High Risk for Alcoholism." *Asian Journal of Psychiatry* 35 (June): 38–44.
- [31]. Lee, Woo-Kyung, 교수경운대학교 사회체육학과, Seung-Hyeon Kim, and Chul-Kyu Jung. 2017. "The Relationship between Participation Motive in Golf Betting, Betting Disposition, Golf Betting Immersion, and Golf Betting Addiction." *Korean Association of Addiction Crime Review*. <https://doi.org/10.26606/kaac.2017.7.4.6>.
- [32]. Marcus, J. Tyrone, and J. Tyrone Marcus. 2011. "'Sports Betting: Law and Policy.' The Regulation of Sports Betting in the Caribbean." *Sports Betting: Law and Policy*. https://doi.org/10.1007/978-90-6704-799-9_16.
- [33]. Parra-Díaz, Paloma, Juan Luis Chico-García, Álvaro Beltrán-Corbellini, Fernando Rodríguez-Jorge, Clara Lastras Fernández-Escandón, Araceli Alonso-Cánovas, and Juan Carlos Martínez-Castrillo. 2021. "Does the Country Make a Difference in Impulse Control Disorders? A Systematic Review." *Movement Disorders Clinical Practice* 8 (1): 25–32.
- [34]. Paul, Birinder S., Gurjot Singh, Nahush Bansal, Gaganeep Singh, and Gunchan Paul. 2020. "Gender Differences in Impulse Control Disorders and Related Behaviors in Patients with Parkinson's Disease and Its Impact on Quality of Life." *Annals of Indian Academy of Neurology* 23 (5): 632–37.

- [35]. Rajan, Roopa, Syam Krishnan, Gangadhara Sarma, Sankara P. Sarma, and Asha Kishore. 2018. "Dopamine Receptor D3 rs6280 Is Associated with Aberrant Decision-Making in Parkinson's Disease." *Movement Disorders Clinical Practice* 5 (4): 413–16.
- [36]. Reardon, Claudia L., Brian Hainline, Cindy Miller Aron, David Baron, Antonia L. Baum, Abhinav Bindra, Richard Budgett, et al. 2019. "Mental Health in Elite Athletes: International Olympic Committee Consensus Statement (2019)." *British Journal of Sports Medicine* 53 (11): 667–99.
- [37]. Singhanian, Vidushpat. 2011. "Sports Betting: Is It Really Illegal in India?" *Sports Betting: Law and Policy*. https://doi.org/10.1007/978-90-6704-799-9_25.
- [38]. Singh, Varsha, Kapil Chaudhary, S. Senthil Kumaran, Sarat Chandra, and Manjari Tripathi. 2020. "Functional Cerebral Specialization and Decision Making in the Iowa Gambling Task: A Single-Case Study of Left-Hemispheric Atrophy and Hemispherotomy." *Frontiers in Psychology* 11 (April): 725.
- [39]. Singh, Varsha, Johannes Schiebener, Silke M. Müller, Magnus Liebherr, Matthias Brand, and Melissa T. Buelow. 2020. "Country and Sex Differences in Decision Making Under Uncertainty and Risk." *Frontiers in Psychology* 11 (March): 486.
- [40]. Sutar, Roshan. 2020. "Gambling Problems in Patients with Psychotic Disorders in Rural Greece." *Journal of Neurosciences in Rural Practice* 11 (2): 221.
- [41]. Wiesbaden, Springer Fachmedien. 2013. "Nissan India Betting on CVT across Segments." *Auto Tech Review*. <https://doi.org/10.1365/s40112-013-0369-9>.