

UDC 330. 37.07

JEL D12, F19, H22, L83

DOI: 10.32782/2786-8273/2024-7-8

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ECONOMIC OPPORTUNITIES AND SOCIAL RESPONSIBILITY IN THE MODERN GAMBLING INDUSTRY

ЕКОНОМІЧНІ МОЖЛИВОСТІ ТА СОЦІАЛЬНА ВІДПОВІДАЛЬНІСТЬ В СУЧАСНІЙ ГЕМБЛІНГ ІНДУСТРІЇ

Abstract. Introduction. The gambling industry plays a significant role in national economies, contributing to revenue generation, job creation, and tax income. However, it poses challenges related to regulation and social costs, such as addiction and financial distress among vulnerable populations. Technological advancements, including AI and blockchain, are reshaping the industry, presenting both opportunities and regulatory complexities. **Purpose.** This study aims to analyze the economic impact, regulatory frameworks, social implications, and technological advancements in the gambling industry. The research focuses on understanding how these factors interact and shape the future of the sector, with the goal of providing insights for policymakers on balancing economic gains with social responsibility. **Results.** The findings highlight that while the gambling industry supports economic growth and benefits from technological innovations, it also amplifies risks of problem gambling and social harm. Effective regulatory models, such as targeted interventions and responsible gambling measures, are crucial for minimizing these risks. The analysis emphasizes the importance of evidence-based policies that adapt to the rapidly evolving landscape of the gambling industry. **Conclusions.** A sustainable gambling industry requires a holistic approach that aligns economic benefits with social accountability. Policymakers must prioritize harm reduction strategies, responsible gambling practices, and adaptive regulations to ensure that the industry's growth does not come at the expense of societal well-being. This study offers a comprehensive overview for stakeholders seeking to navigate the complexities of the modern gambling sector.

Keywords: gambling industry, economic impact, regulatory frameworks, social implications, responsible gambling, addiction prevention.

Анотація. Гральний бізнес є значною частиною національних економік, що сприяє збільшенню доходів, створенню робочих місць та зростанню податкових надходжень. Проте ця сфера також супроводжується соціальними ризиками, такими як залежність від азартних ігор та фінансова нестабільність, що вимагає всебічного підходу до її регулювання. Метою цього дослідження є аналіз сучасних тенденцій гральної індустрії, оцінка ефективності регуляторних моделей, вивчення соціальних наслідків та роль технологій, таких як штучний інтелект та блокчейн. У ході дослідження були визначені основні цілі: по-перше, дослідити сучасний стан і тенденції розвитку грального бізнесу, включно з економічними показниками та їхнім впливом на суспільство; по-друге, проаналізувати регуляторні підходи в різних країнах та виявити їх сильні та слабкі сторони; по-третє, визначити соціальні наслідки азартних ігор, зокрема, проблему ігрової залежності, та ефективність попереджувальних заходів; і, нарешті, запропонувати рекомендації для подальшого розвитку сфери азартних ігор на засадах сталості й соціальної відповідальності. Результати дослідження підтверджують на значний економічний вплив гральної індустрії, що реалізується через приріст доходів та податків у країнах, де гральний бізнес має розвинуту інфраструктуру. У таких країнах, як Великобританія, податкові надходження від грального бізнесу досягли £2,8 мільярда у 2019 році. Водночас дослідження вказують, що соціальні наслідки, спричинені ігровою залежністю, є значними, особливо для вразливих верств населення. Регуляторні підходи варіюються за країнами: від обмежень ставок і частоти гри до зобов'язань щодо інформування споживачів. Технологічні інновації, такі як ШІ та блокчейн, створюють нові можливості для вдосконалення практик відповідальної гри через моніторинг і раннє виявлення ризикованої поведінки гравців, але також ускладнюють процеси регулювання. Розробка ефективної політики для гральної індустрії потребує комплексного підходу, що дозволяє досягти балансу між економічними вигодами та соціальною відповідальністю.

Ключові слова: індустрія азартних ігор, економічний вплив, нормативно-правова база, соціальні наслідки, відповідальна гра, профілактика залежності.

Statement of the problem. The gambling industry is a complex and dynamic sector, contributing significantly to national and local economies through job creation, tax revenues, and tourism. However, it also poses several critical challenges that warrant in-depth analysis and careful management. One of the primary issues is the balance between the economic benefits generated by the

industry and the social costs it imposes, such as gambling addiction, financial hardship, and related mental health problems.

The industry's rapid expansion, particularly in the realm of online and digital gambling, has introduced new regulatory challenges. Governments and regulatory bodies must grapple with evolving technologies,

including mobile apps, virtual reality, and blockchain, which complicate enforcement and consumer protection. The global nature of online gambling platforms further complicates jurisdictional authority, creating loopholes and opportunities for regulatory arbitrage.

Moreover, the industry's growth has brought about significant social implications. Problem gambling and addiction not only affect individuals but also their families and communities, leading to broader societal costs, such as increased healthcare expenses, reduced productivity, and crime. While some measures, like self-exclusion programs and limits on betting, aim to mitigate these harms, their effectiveness varies across different regions and regulatory environments.

In addition, there is a lack of comprehensive and universally applicable research on the net impact of gambling. While some studies suggest that the benefits outweigh the costs, particularly in terms of entertainment and economic contribution, the methodological challenges in quantifying social costs and benefits make it difficult to draw definitive conclusions.

These challenges highlight the urgent need for a thorough analysis of current trends in the gambling industry. This analysis should focus not only on the economic impact but also on the effectiveness of regulatory frameworks, the role of technological innovation, and the broader social implications. Addressing these issues is crucial for developing sustainable and responsible policies that can maximize the industry's benefits while minimizing its harms.

Analysis of recent research and publications. The gambling industry has been the subject of extensive research with foundational studies by Rose N. [5] and Stewart D. [6] reflecting its significant economic, social, and regulatory implications. Notable studies, such as those conducted by the NCPG, have laid the groundwork for understanding the balance of economic benefits and social costs. These studies highlight that while the gambling industry generates substantial economic value through job creation, tax revenues, and tourism, it also brings significant social challenges, particularly related to problem gambling as noted by Maida J. [4].

A growing body of literature explores the socio-economic impact of gambling, focusing on both its positive and negative aspects. For instance, economic studies, including those by Rose N. [5], often emphasize the industry's contribution to local economies and its role in supporting public services through taxation. Conversely, social research has delved into the adverse effects, including addiction, financial distress, and mental health issues, which disproportionately affect certain populations, such as lower-income groups and minorities, as highlighted by Maida J. [4].

Recent publications, such as the work of Wood L. [8] and Stewart D. [6], have also addressed the regulatory complexities surrounding the gambling industry. With the rise of online and mobile gambling, scholars have examined the effectiveness of existing regulatory frameworks. Studies by Stewart D. [6], have identified significant variations in regulatory approaches across jurisdictions, highlighting the challenges in enforcing regulations on a global scale. Issues such as cross-border gambling, regulatory arbitrage, and the adequacy of consumer protection measures in the digital age are recurrent themes in the literature.

Technological advancements in the gambling sector, including the adoption of blockchain, virtual reality, and artificial intelligence, have also become focal points in recent research [3]. These technologies have transformed the industry, offering both opportunities for growth and challenges in terms of regulation and responsible gambling. Scholars have examined how these innovations can be leveraged to enhance consumer experience while ensuring robust regulatory oversight and minimizing harm.

Despite the wealth of research, significant gaps remain. One major gap is the lack of comprehensive, comparative studies that assess the long-term effectiveness of various regulatory models in different cultural and economic contexts. Additionally, there is a need for more empirical research on the impact of emerging technologies on gambling behavior and their implications for regulation and social responsibility.

This review underscores the importance of continued research to inform policy and practice in the gambling industry. By addressing the existing gaps, future studies can contribute to a more nuanced understanding of the industry's complexities, supporting the development of balanced and effective regulatory approaches.

The purpose of the article. The primary objective of this article is to analyze the current trends in the gambling industry, focusing on the impact of technological advancements, changes in consumer behavior, and the growth of online and mobile gambling platforms. By examining these trends, the article aims to provide a comprehensive understanding of how they are shaping the industry's landscape and influencing both its economic contributions and social implications.

Another key objective is to assess the effectiveness of existing regulatory frameworks across different jurisdictions. The article will evaluate how these regulations address the challenges posed by digital gambling, cross-border operations, and consumer protection. This evaluation will highlight best practices and areas where improvements are needed to ensure a balanced regulatory approach.

The article also seeks to explore the social implications of gambling, with a particular focus on the prevalence and impact of problem gambling. It will investigate the effectiveness of harm reduction strategies, such as self-exclusion programs and public awareness campaigns, in mitigating the negative social effects associated with gambling.

In addition, the article aims to identify gaps in the existing body of research, particularly concerning the long-term impact of regulatory measures and the role of emerging technologies in the gambling industry. By highlighting these gaps, the study will provide a foundation for future research efforts, contributing to a deeper and more nuanced understanding of the industry's complexities.

Finally, the article intends to offer policy recommendations that balance the economic benefits of the gambling industry with the need for robust consumer protection and social responsibility. These recommendations will be aimed at policymakers, industry stakeholders, and researchers, providing them with insights and strategies for promoting sustainable growth in the industry while minimizing its social harms.

Research methods. The research methods for this study are designed to provide a comprehensive analysis of the gambling industry by integrating both qualitative and quantitative approaches. The study will begin with a

thorough review of existing literature to understand the current state of knowledge on the economic, regulatory, and social dimensions of the gambling industry. This review will include academic articles, industry reports, and regulatory documents from various jurisdictions.

Quantitative analysis will be conducted using economic data related to the gambling industry. This will involve examining metrics such as revenue generation, employment figures, tax contributions, and expenditure patterns. The goal is to quantify the economic impact of the industry and identify trends over time.

In addition, qualitative methods will be employed to assess regulatory frameworks and their effectiveness. This will involve case studies of specific jurisdictions, analyzing the implementation and outcomes of different regulatory approaches. Interviews with industry experts, policymakers, and stakeholders will provide insights into the challenges and successes of various regulatory models.

Presentation of the main research material. *Economic impact.* The gambling industry plays a crucial role in boosting national economies, contributing significantly through both land-based and online platforms. In 2020, the global gambling market was valued at approximately \$465 billion, with projections suggesting growth to over \$647 billion by 2027. Land-based casinos, lotteries, and betting shops remain major contributors, while the online gambling sector is growing rapidly, with a compound annual growth rate (CAGR) of around 11.5% from 2021 to 2028 [2]. Employment generated by the gambling industry is another key economic benefit. In jurisdictions like Nevada, where gambling is a major industry, more than 430,000 jobs are supported by casino operations alone. These jobs span from direct employment in casinos and betting shops to ancillary services such as hospitality, entertainment, and security. Tax revenues from gambling are substantial, often serving as a significant source of public funding. For example, the UK gambling industry contributed £2.8 billion in tax revenue in 2019 [2]. However, reliance on gambling tax revenue poses risks, particularly in regions heavily dependent on this income. Economic downturns or regulatory changes can sharply impact these revenues, underscoring the need for diversified economic strategies.

Regulatory frameworks. Regulatory effectiveness varies across jurisdictions, reflecting different priorities and capacities. In Australia, comprehensive regulatory frameworks are in place, which include stringent controls on electronic gaming machines (EGMs) and mandatory pre-commitment systems. These measures aim to mitigate problem gambling while maintaining the industry's economic benefits. Similarly, in Great Britain, the Gambling Commission enforces regulations that include licensing, consumer protection, and measures to combat problem gambling [3]. Despite these efforts, online and cross-border gambling pose significant regulatory challenges. The global nature of online gambling platforms complicates enforcement, allowing operators to exploit regulatory gaps between jurisdictions. For example, countries like Malta and Gibraltar offer lenient regulatory environments, which can undermine stricter regulations in other regions. Regulatory approaches often include specific measures such as stake limits on gaming machines, restrictions on the intensity of play, and mandatory information disclosure [9]. These are designed to ensure consumers are well-informed and to promote responsible gambling practices.

Social Implications. The social costs of gambling are profound, particularly concerning problem gambling. Studies estimate that approximately 1–2% of the population in many countries suffer from gambling disorders [7]. In the United States, problem gambling costs society about \$6 billion annually in terms of lost productivity, healthcare, and social services [1]. The harms of problem gambling disproportionately affect vulnerable groups, including lower-income individuals and ethnic minorities. These populations often experience severe financial distress, mental health issues, and family breakdowns as a result of gambling addiction. Interventions like self-exclusion programs, where individuals can voluntarily ban themselves from gambling venues, have shown some success. For instance, in Canada, nearly 90% of participants in self-exclusion programs reported a reduction in gambling frequency [1]. However, the effectiveness of such measures depends on robust implementation and the availability of support services.

Technological Advancements. Technological innovations are rapidly transforming the gambling industry, introducing both opportunities and challenges. Blockchain technology, for example, offers transparency and security, potentially addressing issues like fraud and ensuring fair play. Virtual reality (VR) is enhancing the user experience by creating immersive gambling environments. AI-driven monitoring systems and player tracking technologies are emerging as vital tools for promoting responsible gambling. These systems can identify early signs of problematic behavior, allowing for timely interventions. For instance, AI algorithms can track betting patterns and trigger alerts if a player exhibits risky gambling behavior, such as chasing losses or increasing stakes rapidly. However, the adoption of such technologies complicates regulatory oversight. Ensuring that these innovations are used ethically and effectively requires continuous adaptation of regulatory frameworks [3].

Policy Implications. Balancing the economic benefits of gambling with the need to minimize social harm remains a critical challenge for policymakers. Targeted interventions, such as personalized player notifications and enforced breaks in play, have shown promise in reducing harm. These measures can be implemented without significantly diminishing the entertainment value for responsible gamblers. Ongoing research is essential to inform evidence-based policy-making, particularly as emerging technologies continue to reshape the industry. Understanding the long-term impacts of regulatory measures and technological interventions will be crucial in developing strategies that promote sustainable industry growth while safeguarding public welfare.

Conclusions. The gambling industry's complex dynamics underscore the need for balanced approaches that maximize economic benefits while addressing significant social risks. This study highlights the industry's substantial contributions to economies through revenue generation, job creation, and tax income, particularly as online and digital gambling expand. However, these economic advantages are countered by social costs, notably gambling addiction and financial distress, which disproportionately affect vulnerable populations.

Regulatory frameworks play a pivotal role in moderating these impacts, yet the effectiveness of such frameworks varies widely across jurisdictions. The rise of online and cross-border gambling presents additional challenges,

complicating enforcement and creating regulatory gaps. Comprehensive policies that incorporate stringent controls, such as stake limits and consumer information disclosures, are necessary to mitigate harm without stifling economic gains.

Technological advancements like AI and blockchain present both opportunities and regulatory challenges. These tools can enhance responsible gambling practices by identifying risky behaviors, but they also demand adaptive regulatory responses to ensure ethical usage. The growing

integration of these technologies into gambling platforms emphasizes the need for a proactive approach to regulation.

In conclusion, a sustainable gambling industry requires a multifaceted strategy that aligns economic growth with social responsibility. Policymakers should prioritize evidence-based interventions, targeted harm reduction measures, and adaptable regulatory frameworks. Continued research is essential to monitor the evolving landscape, ensuring that regulatory practices keep pace with industry developments and protect both consumers and economies.

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Стаття надійшла до редакції 11.10.2024