The Social-Economic Impact of Sports Betting on Ugandan Youths

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Accepted 15 August, 2016

Sports betting activities, particularly among youth, is increasing rapidly in Ugandan. The aim of this study was to determine the motivation for sports betting among Ugandan youth, and the social economic impact of this form of gambling. In a cross sectional quantitative research design, a questionnaire data was obtained from a sample of 181 youth attending betting houses in the Mbale district. Results indicated that most youths were motivated by the desire to win money. Findings also revealed that Ugandan youth socially and economically benefited from sports betting. The study concludes by recommending that even if findings do not show the negative impacts of gambling on youth, there is need for stricter laws to avert any future negative implications.

Keywords: Youth, Gambling, Sports Betting, Social and Economic.

INTRODUCTION

Gambling is a popular activity globally with approximately 60-75% of adults participating in some form (Jones, 2004; Productivity Commission, 2010; Wardle et al., 2010). Although for the majority, gambling represents a recreational pursuit, epidemiological studies reveal standardized past year rates for gambling disorders to range between 0.5% and 7.6% depending on measurement instruments used and definitions applied (Williams et al., 2012). Higher rates ranging from 4.4% to 9% have been consistently reported for adolescents and youth populations (Derevensky and Gupta, 2000; Derevensky et al., 2003; Jacques and Ladouceur, 2003; Korn, 2000).

Gambling disorders are associated with a range of intra- and inter-personal morbidities (see Petry, 2005). Commonly reported comorbid conditions among treatment seeking problem gamblers include substance use (7-39%), mood disorders (8-58%), and anxiety (4-27%) (Petry, 2005). In addition, it has been estimated that a third to over half of problem gamblers exhibit a degree of poor or fair physical health (NORC, 1999; Productivity Commission, 1999), with elevated rates reported for gambling related criminal offences (Blaszczynski et al., 1989; Smith et al., 2003), psychosocial difficulties (Shaffer et al., 2004) and familial marital conflicts (Black et al., 2012; Dowling et al., 2009; Pietrzak et al., 2005) compared to non-gamblers.
The legalization of many forms of gambling and emergence of online gambling coupled with increased awareness of gambling-related harms and match fixing of sporting events and corruption of officials has...has sparked considerable debate about its economic viability and its overall effect on society (Basham and White, 2002; p.3). Tensions currently exist between advocates of gambling prohibition/restrictivism and those exhibiting more liberal attitudes (Blaszczynski et al., 2011). Some governments are motivated to liberalize gambling with the objective of balancing budget deficits, yet at the same time attempting to balance their responsibility to regulate the activity and minimize harms. Critics emphasize negative effects and impacts in arguing that gambling is a dangerous product with no safe level of participation (Orford, 2010; Schwabish, 2002; Young and Markham, 2015). However some scholars disagree suggesting that consumers are the best judges of their own welfare and that evidence from leading industrialized democracies indicates that most people who gamble do so willingly and rationally, and to them it is as a form of entertainment (Basham and White, 2002; McGowan, 2014). Moran (1998) states this explicitly, “It would be unreasonable to curtail the enjoyment that the vast majority obtain from the activity [gambling] because of a tiny minority”.

Much of the controversy over the positive and negative aspects of gambling is derived from studies conducted on developed nations, notably, North America, Australia, UK, and some European countries. Less is known about gambling in less developed jurisdictions although concerns about this behavior are emerging, particularly with the globalization effects of the Internet.

Gambling in Uganda

The past three years have seen a steady increase in the number of sports betting firms in Uganda. The effect of this trend is reflected in the emerging numbers of actual and potential gamblers, especially among youth. As a consequence, attention has been directed towards youths addicted to the extent that they have resigned from gainful employment and resorted to gambling, with others manifesting significant health complications. Opponent of sports betting in Uganda associate it with idleness among youth with claims that up to 70% of this subpopulation are not productively employed. In response, the Government of Uganda imposed a levy of 15% on all gambling revenues received and also tightened laws on all gambling companies through the National Lotteries Board. In Uganda, the most common form of gambling is sports betting, in particular football. Other forms gambling include Ludo, Mweso (local bead game) and Chinese slot machines. Although gambling has existed for some time in Uganda in the form of seasonal lotteries, sport betting is relatively new and has taken the country by “storm”. Currently, there are over six sports betting outlets in every major town with suggestions that the majority of betters are youth aged between 15-32 years.

The economic impact of gambling in Uganda cannot be underestimated. Government earned 11.3Bn shillings in the 2013-2014 financial year with projections that it would earn additional 8.0Bn shillings in financial year 2014-2015 given the 15% tax increase on all winnings. Through the National Lotteries Board, the government has acted to license a consulting firm to run a National lottery with huge prizes to be potentially won.

Uganda has the world’s youngest population with over 78 percent of the population below the age of 30 and half of the population below 24 years of age and unemployed (World Bank, 2009). Because of this, a number of youths in Uganda (both in rural and urban areas) have been attracted to gambling because they believe that they will gain economically (getting money) and socially (entertainment). According to a high school gambling fact sheet in the USA, “Approximately 4-5% of youth, have a gambling problem and 10-14% are at risk of developing an addiction. Many of the youth gamble occasionally for fun. The study further reports that 60-80% of high school students have ever gambled”. Ugandan youth are often observed loitering around sports betting kiosks and outlets attempting to place bets on respective teams. They do so by reviewing odds provided by online bookmakers and studying the past team performances. Local sports radio and television commentaries are including information on the best odds available and how betters should place bets.

The most common form of gambling among Ugandan youth is betting on foreign football games. Slot machines are also becoming popular only that they do not offer diversity and gamblers assert they have less chances of winning as compared to sports betting.

Despite the presence of gambling legislation in Uganda, it appears that little effort is directed to properly implementing and monitoring compliance; for example the National Lotteries Board has failed to relocate sports betting kiosks and other gambling facilities away from public places like schools and churches. There are also no proper mechanisms to regulate Internet gambling. Because of this most telecommunication companies are now offering betting services in Uganda by partnering with gambling firms with promotions and advertising normalizing the activity.

However, in the absence of research data, concern over the impact of gambling among youth is relegated to anecdotal cases or expressed opinions. Accordingly, the purpose of this study is to undertake a preliminary exploration of the motivation to gamble and the social economic impact of gambling on Ugandan youth.
Youth and gambling

‘Youth’ is variably defined but essentially refers to that period of transition from childhood to adult independence. It covers the age range from adolescence 12-19, and young adulthood, 20-30 years. For purposes of this study, youth will be accepted as those individuals falling within the 15-30year age bracket. There are many reasons why youth gamble with social and monetary reward expectations predominating (Shead and Hodgins, 2009). Gambling or betting houses offer environments that are conducive to enhancing social and peer-group interactions, for example, hotels. In South Africa a significant number of unemployed youth report reliance on gambling as their main means of income (Frankel, 2006). According the Australian Psychology Society, gambling by its very nature, represents an opportunity to win money and depending on the prize “it can to change one’s lifestyle”. A survey by Boreham et al., (2006) found that winning of money was more important than stimulation, socializing and escaping boredom and lowliness while Munro et al, (2003) asserted that the desire for stimulation and social interaction was key factor that made people gamble. In contrast, according to Clark et al., 2007; Platz and Millar, 2001) other motivations include chasing losses, and relieving tension and emotional distress. Among females, intrapsychic factors such as loneliness, depression, and to gain control over their lives and emotional issues are associated with the drive to gamble, in contrast to males where external factors such as peer groups, financial pressures and employment related conflicts are more relevant (Petry, 2005). Importantly, the advent of technologies e.g., online betting, has increased the availability, accessibility, and convenience of gambling. However, it remains unclear if among Ugandan youth in an underdeveloped country maintain the motivation to win is the primary drive superseding intrapsychic needs that are more commonly evident among gamblers in developed western jurisdictions.

The social-economic impact of gambling

There is no doubt that gambling beyond personally affordable levels results in a multitude of harms at individual, familial and societal strata. These include mental health (affection disorders, substance abuse, stress-related symptoms), marital/family dysfunction(conflict, separation/divorce, domestic violence), finances (debts), employment and productivity (absenteeism, loss of employment), and legal (criminal offences) (American Psychiatric Association, 2013; Currie et al., 2009; Productivity Commission, 2010; Neal et al., 2005).

On the other hand, gambling is purported to provide benefits at the individual and socio-economic levels. For example, the NORC (1999) study suggested that gambling improves the overall socioeconomic health of the community. It further indicated that gambling (“casino effect”) does not significantly increase crime or bankruptcy but instead significantly increases per-capita spending, income, and employment. Local economies with legalized gambling benefit from experienced growth in the construction trades, hotel and hospitality industries, and recreation and amusement sector. In this regard, Williams and Rehm (2011) summarized gambling impacts into two forms i.e., economic (increased government revenue, increased public services, moderate regulating costs and positive or negative impacts on gambling businesses) and social (increased gambling, crime, social inequality and increased negative attitude towards gambling).

Given Uganda’s economy and the high rates of unemployment and poverty, it would be informative to investigate the similarities and differences in gambling impacts compared to developed western countries.

METHOD

Participants

In a cross-sectional design, 217 youth from a subpopulation of approximately 500 youth attending 25 betting houses in the Mbale district were approached with an invitation to participate in the study. Of those approached, 181 agreed to participate giving a 43.4% response rate. Those willing to participate were handed a questionnaire if they were able to read and understand English or if not, the questions were read and their responses recorded.

Measures

The following widely used measures have been adapted from (Williams and Rehm, 2011)

ECONOMIC IMPACT (Monetary) was measured in relation to increase in personal income, Business Startups, and Failures, Business Revenue, Regulatory Impacts. SOCIAL IMPACTS (nonmonetary consequences) will be measured in relation to Problem Gambling, Crime, Employment, Quality of Life, Social Capital, and bankruptcy among others. A section of the questionnaire will be left open ended to ascertain why youth gamble.

Ethical considerations

Institutional approvals were required in order to implement it. Given that the study involved human subjects, the researchers undertook all the necessary...
Table 1 Reasons for gambling

<table>
<thead>
<tr>
<th>Reason</th>
<th>N</th>
<th>Min.</th>
<th>Max.</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>To win money</td>
<td>181</td>
<td>2</td>
<td>5</td>
<td>4.7</td>
<td>0.7</td>
</tr>
<tr>
<td>To interact with friends and escape boredom</td>
<td>181</td>
<td>1</td>
<td>5</td>
<td>3.6</td>
<td>1.3</td>
</tr>
<tr>
<td>Because I have extra money to gamble</td>
<td>181</td>
<td>1</td>
<td>5</td>
<td>1.9</td>
<td>1.0</td>
</tr>
<tr>
<td>Because most of my friends gamble</td>
<td>181</td>
<td>1</td>
<td>5</td>
<td>3.2</td>
<td>1.3</td>
</tr>
<tr>
<td>Because I’m not employed</td>
<td>181</td>
<td>1</td>
<td>5</td>
<td>3.0</td>
<td>1.5</td>
</tr>
</tbody>
</table>

Table 2 Economic impact of gambling

<table>
<thead>
<tr>
<th>Statement</th>
<th>Overall Mean</th>
<th>F</th>
<th>Sig.</th>
<th>Online gambler</th>
</tr>
</thead>
<tbody>
<tr>
<td>I have been able to start a business as result of betting</td>
<td>3.1</td>
<td>.08</td>
<td>.77</td>
<td>Yes 3.1, No 3.0</td>
</tr>
<tr>
<td>My income has increased since I started betting</td>
<td>2.8</td>
<td>.29</td>
<td>.59</td>
<td>Yes 2.8, No 2.7</td>
</tr>
<tr>
<td>I save part of the money the I win from betting</td>
<td>3.4</td>
<td>.55</td>
<td>.46</td>
<td>Yes 3.3, No 3.4</td>
</tr>
<tr>
<td>I ably provide for my family since I started betting</td>
<td>2.9</td>
<td>1.11</td>
<td>.29</td>
<td>Yes 2.9, No 3.0</td>
</tr>
<tr>
<td>Every time that I bet I always win</td>
<td>3.0</td>
<td>5.43</td>
<td>.02</td>
<td>Yes 2.9, No 3.2</td>
</tr>
</tbody>
</table>

steps to ensure that the study was conducted in-line with international recognized ethics standards for human subjects involved research activities. This included three steps: 1) ensuring voluntary participation of respondents, 2) ensuring voluntary withdrawal from the study by respondents at will, and 3) ensuring confidentiality of the respondents’ data.

Procedure

Participants attending betting houses and agreeing to participate informed about the nature and purpose of this study, confidentiality of information provided, and their ability to withdraw at any time. Participants were then provided with the questionnaire. No incentives or reimbursements were given to participants. Indeed some respondents left prior to completion of the study, while others submitted incomplete questionnaires.

RESULTS

Of the 181 participants, the majority were males (N=166; 91.7%: females: N=15; 8.3%). This is consistent with observations that female gamblers are rarely found in these premises. In respect to age distribution, 42.5% (N=77) were aged between 21-25 years, 40.9% (N=74) between 26-30 years, and 16.6% (30) between 31-35 years indicating the attractiveness of this form to young adults. Slight less than third (N=56; 30.9%) completed primary school, and slightly more than a third, secondary school (N=71; 39.2%). Of the remainder, slightly less than a third completed either university (N=33;18.2%) or tertiary (N=18 9.9%) studies, and 1.7% (N=3), professional programs.

Approximately half the sample (N=89; 47.5%) gambled daily with the other half (N=49.2; 49.2%) doing so twice per week. Only 3.3% (N=6) gambled once weekly indicating a high level of engagement by these participants. The predominant form of betting by participants was on football (N=178; 98.3%) with boxing the next form but insignificant in terms of proportion (N=3; 1.7%).

Football being the most dominant sport in Uganda, may explain the 98.8% score. Also, except for boxing and athletics other sports are not widely practiced in Uganda. Data also revealed that 59.0% (N=107) of the sample had gambled online. Interestingly, approximately two-thirds of the sample expressed a positive attitude to sports betting with 65.7% (N=119) indicating that they would advise a family member to gamble.

Table 1 lists the predominant reasons for gambling expressed as ratings on a five-point Likert scale.

Results show that the main reason why youths gamble is to win money (Mean = 4.7), followed by the need to interact with friends to escape boredom (Mean = 3.6), and in response to peer influence (Mean = 3.2). Few respondents indicated that they gambled because they had extra money.

Participants were also asked to indicate the primary motivations associated with the desire to win money (see Table 2). No significant differences were found for those gambling online compared to land-based betting shops. Responses suggest that a proportion of participants engaged in gambling as a means of obtaining income for purposes of improving their economic situation. Saving money was important (mean = 3.4) followed by the desire to start a business (mean = 3.1).

Table 3 shows the perceived social impacts of gambling endorsed by the participants.

Participants indicated that they; had made many friends as result of gambling (mean = 3.85), remained in good health (mean = 3.2), and had an improved quality of life (mean =3.05). Unlike the economic effects, the social effects differed in some respects between those who
gambled on line and those who did not gamble on line. Those who gambled online reported that they benefited more in terms of making friends compared to those who did not gamble online. Non-online gamblers held a stronger belief that gambling caused crime and that their businesses had collapsed because of betting, although these were rated relatively low compared to the other items.

DISCUSSION

Demographic characteristics show that approximately 84% of the youths in Uganda are involved in gambling activities. This finding is agreement with Welte et al. (2009) who state that there is increased gambling among the youth. Such a high gambling rate among youth may be attributed to availability of gambling opportunities.

The small percentage of female gambling may be as a result of the orientation of most African cultural settings where most women hold the “back seat” and are sometimes not allowed to participate in “manly activities”.

Women in Africa especially in rural settings are barred from some manly activities and gambling is not exceptional. Gambling by its nature is perceived as an unethical activity especially in strong traditional and religious communities. Given the general social perception that gambling is bad, some women may therefore shy away from gambling because of perceived isolation and victimization from society.

That the vast bulk of participants are in the under 30-age bracket is consistent with the high levels of unemployment among the youth who constitute approximately 78% of the entire Ugandan population. The most disconcerting finding perhaps, is the rate at which youth at the secondary school level are involved in gambling, a subgroup that constituted the majority of the gamblers. In Uganda, secondary/high school students fall within the age bracket 13-19 years. It can be argued that Uganda risks the prospects of having a young population progressively addicted to gambling activity. High levels of unemployment among Ugandan youth of 61.6% (Pletscher, 2015) might explain the high proportion of participants gambling with a daily or twice weekly frequency. Youth unemployment is too high because of among others, low levels education, few economic activities and poor Government employment policies. It is also consistent with a finding by Frankel (2006) that a significant number of unemployed South Africans relied on gambling as their main means of income. It must be appreciated that humans by their nature will try to find alternative means of survival if the conventional ones do not work out.

The large proportion of online gambling may be explained by the fact most of the youths who bet visit bookmakers’ websites to learn about odds and to obtain team statistics and information. Also the availability of cheap smart phones on the market has greatly facilitated the availability of online gambling. In addition, the government has introduced computer training in all schools and institutions. Consequently, there is a likelihood that they may gamble online because of the interface with computers.

Results of the study show that the main reason why youths gamble was to win money followed by the need to interact with friends so as to escape boredom. Because most gamblers attach value to their stakes (bets), this may reflect the actual motivation for youth in Uganda to gamble. Monetary rewards are anticipated after placing a bet (Shead and Hodgins, 2009). This finding is also consistent with the Australian Psychology Society finding that says gambling by its very nature represents an opportunity to win money”. Gambling being a risk in itself, these results indicate that Ugandan youth maintain a high propensity to take risks.

Also a survey by Borehametal, (2006) shows that winning of money, escaping boredom and lowness respectively were important reason for gambling. In Uganda, some youths are frustrated as result of unemployment and other social pressures; this partly may explain why youth gamble. Also some youth take it as a leisure activity especially those that stay near trading centers and near entertainment spots. Actually some sports betting companies have proceeded to provide live coverage of especially football matches which attracts large crowds of potential gamblers.

Regarding the economic impact of gambling, participants indicted that they saved part of the money won from betting while others reported being able to start a business as result of betting. Uganda being one of the most entrepreneurial countries in the world, youth using the money won from sports betting to start a business is therefore not a surprise. Also most youths according to findings had won bets (3.0) and this may be attributed to the “thorough research” that is done prior placing bets on

<table>
<thead>
<tr>
<th>Table 3 Social impact of gambling</th>
<th>Overall</th>
<th>F</th>
<th>Sig.</th>
<th>Online gambler</th>
</tr>
</thead>
<tbody>
<tr>
<td>I believe that gambling causes crime</td>
<td>2.59</td>
<td>10.11</td>
<td>0.00</td>
<td>Yes: 2.4, No: 2.9</td>
</tr>
<tr>
<td>I have made many friends as result of gambling</td>
<td>3.85</td>
<td>6.83</td>
<td>0.01</td>
<td>Yes: 4.0, No: 3.6</td>
</tr>
<tr>
<td>My business has collapsed because of betting</td>
<td>1.62</td>
<td>5.74</td>
<td>0.02</td>
<td>Yes: 1.5, No: 1.8</td>
</tr>
<tr>
<td>My quality of life has greatly improved since I stared betting</td>
<td>3.05</td>
<td>0.91</td>
<td>0.34</td>
<td>Yes: 3.0, No: 3.1</td>
</tr>
<tr>
<td>I have been in good healthy since I started betting</td>
<td>3.20</td>
<td>0.00</td>
<td>0.97</td>
<td>Yes: 3.2, No: 3.2</td>
</tr>
</tbody>
</table>
sports activity. Further analysis revealed that economic effects did not vary significantly between the online and non-online gamblers save for one. However there were higher chances of winning bets for the non-online gamblers as opposed to those who betted on line. These findings imply that the youths attach a high economic value to gambling and as a result some have economically benefited from gambling. However their income had not increased (Mean = 2.8) and perhaps that is why they do not ably provide for their families. And because the money is always “re-invested” in sports betting, youths may not be left with enough disposable income to spend on things.

As for social impacts of gambling, the youths that took part in the study said that they had made many friends and had also been in good healthy since they started betting. Because gambling is regarded as a social and leisure activity by gamblers this is in line with the argument by (Blaszczynski and McConaghy, 1989; Petry, 2005; Williams et al, 2011) that gambling is a form of entertainment and leisure activity. It is easy therefore it easy to make friends. By nature, Ugandans are naturally welcoming and friendly to even strangers. It therefore not surprising that most gamblers had made more friends from the sports betting activities.

Unlike the economic effects, the social effects differed in some respects between those who gambled on line and those who did not gamble on line. For instance those who gambled on line say that they benefited more in terms of making friends compared to their counterparts who did not gamble on line. This may be explained by the fact there are more chances of finding friends from online than physically, such online friends are perhaps readily available and with less commitments.

The youth who participated in the study concurred that gambling did not cause crime and their businesses had not collapsed. This is in contrast with Grinols et al., (2004) who says that gambling is associated with criminal activity like murder, robbery, property damage, economic crime and prostitution. However, Grinols goes ahead to mention that the above is associated with pathological gamblers. These findings also may imply that the youths who participated in the study do not have any social difficulties as opposed to the thinking of most people who assume that gambling causes social disorders. On the contrary, hose who participate in gambling activities do so voluntarily and, in return, receive intrinsic benefits from their consumption (Basham and white, 2002).

CONCLUSIONS AND RECOMMENDATIONS

Gambling and sports betting in particular has economic and social benefits to those that participate in the activity. However it is not entirely true that whoever participates in gambling enjoys the perceived benefits.

In this paper findings tend to show that the social and economic benefits of gambling outweigh the costs and this may be as a result of gambling being a relatively new phenomenon and not well regulated. Therefore, the youths do not see the negative social and economic implication of gambling and perhaps that is why the gambling (sports betting) sector is growing at a very high speed in Uganda. To therefore avert this trend, there is need for the Ugandan parliament to enact strict laws that ensure that gambling companies operate within a given a set of rules. Otherwise the current state of affairs provides for anyone to open a gambling business. Also the National Lotteries Board should collaborate with community law enforcement agencies to identify illegal gambling activities.

There is need for social awareness, civil society organizations should work with communities in pointing out the dangers of gambling especially among the youths by using appropriate media.

There is also need to liaise with gambling operators to regulate on advertising and also deregister all those operators who encourage child gambling.

The fact there is also no comprehensive study that has been undertaken in Uganda before; I would recommend that more research be conducted especially in the area of gambling trends among Ugandan youth.

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