

THE SERIOUS IMPACTS OF ONLINE GAMBLING AND STRATEGIES FOR ERADICATION

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Abstract

Online gambling practices threaten national resilience, as they not only have serious impacts on the state but also directly affect society. This paper examines the impacts of online gambling and strategies for its eradication. Economically, online gambling harms both the state and society, while psychologically, it contributes to mental health disorders. Socially, it disrupts communal harmony and societal well-being. Strategies to eradicate online gambling include reducing the intensity of gambling activities, blocking fund flows, enhancing public education and awareness, enforcing effective legal measures, advancing technological solutions, and encouraging the establishment of the Cyber Security and Resilience Law. Through the Working Committee on Online Gambling under Commission I, the DPR RI needs to evaluate the effectiveness of policies and regulations, strengthen institutional coordination, analyze technological requirements, and devise prevention and eradication strategies. Additionally, Commission III of DPR RI can encourage law enforcement to take firm action against individuals involved in online gambling activities.

Introduction

The rapid development of digital technology has created opportunities for the rise of online gambling. Online gambling involves money-betting activities conducted through digital platforms with the expectation of financial gain. Forms of online gambling include sports betting, online poker, virtual casinos, and internet-based lotteries.

Classified as cybercrime, online gambling relies on computers and the internet as mediums to facilitate gambling activities (Komisi I DPR RI, 2024).

The Ministry of Communication and Digital (Komdigi) has addressed 5,128,871 gambling-related content from 2017 to November 2024. Of these, 3,457,007 cases were handled between January 1



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and November 7, 2024, with the highest number recorded within a year. Website platforms with specific internet protocols (IPs) are the primary medium for distributing gambling content, with 4,414,740 instances identified (Alfarizi, 2024). Additionally, the Coordinating Minister for Political, Legal, and Security Affairs, Budi Gunawan, reported that in 2024, Indonesia had 8.8 million online gamblers, 80 percent of whom were from lower-income groups, including a significant number of young individuals (Aditia & Santosa, 2024).

This is alarming, as the younger generation is increasingly at risk of becoming addicted to online gambling. Efforts to eradicate online gambling remain challenging due to the sophistication and modernization of technology, which complicates authorities' efforts to track and eliminate such activities. This article explores the impacts of online gambling and proposes strategies to eradicate it effectively.

Online Gambling

The impacts of online gambling practices are extensive and serious, affecting not only the state but also society. Economically, online gambling in Indonesia as of March 2024 has resulted in losses amounting to IDR600 trillion. This figure surpasses the budget allocation for several state priorities in 2024, such as education (IDR134 trillion), infrastructure (IDR45 trillion), health (IDR31 trillion), and food security (IDR11 trillion), with a total priority expenditure of IDR221 trillion. These gambling transactions, which harm the state, could

potentially cover the 2024 priority expenditure (Machfir, 2024).

For individuals addicted to online gambling, the economic impact manifests in mounting debts, often incurred as capital to continue gambling. These individuals persistently hope for a win, unaware of the significant losses they sustain. According to data from the Financial Transaction Reports and Analysis Center (PPATK), many online gamblers resort to online loans, with approximately 500 accounts from 3.5 million users identified as using such loans for gambling (Setiawati, 2024). This financial strain frequently disrupts family stability, exacerbating household financial challenges.

Online gambling also has severe psychological impacts, often leading to mental health disorders. The psychological effects compel individuals to continue gambling out of curiosity and a desire to achieve expected wins in subsequent games. This cycle fosters addiction, making it difficult to disengage from gambling. Moreover, online gambling induces stress, anxiety, and depression, particularly when individuals experience repeated losses. Anxiety over game results often leads to heightened stress, which, if prolonged, triggers depressive symptoms. Addicted individuals may resort to unethical means to sustain their gambling activities, further compounding their mental health issues.

Socially, online gambling has far-reaching impacts. On a personal level, it diminishes productivity as individuals become less focused on work or educational activities. This

decline in focus leads to reduced efficiency and effectiveness in daily tasks. Environmentally, addicted individuals often isolate themselves socially, avoiding interaction with others due to feelings of shame or heightened suspicion. This social isolation exacerbates their detachment from their surroundings.

Additionally, online gambling addiction can strain or even break familial and social relationships. Divorce cases linked to gambling addiction have surged, with the Central Statistics Agency reporting 1,572 divorce cases related to online gambling in 2023, a 32 percent increase from 2022 (Rizti, 2024). Furthermore, addiction often drives individuals to commit crimes such as theft, fraud, or other illegal acts to sustain their gambling habits, contributing to an increased crime rate.

Online Gambling Eradication Strategy

Online gambling poses a significant threat to Indonesian society. A clear and implementable strategy is needed to eradicate it effectively to ensure swift and measurable progress. These strategies include the following:

First, reducing the intensity of online gambling activities. This can be achieved by restricting the sale of starter cards to official provider outlets. Many individuals gamble online using cellphone numbers linked to digital wallets. Currently, starter cards are readily available at mobile phone counters, often pre-registered with other people's data. Although Komdigi has issued Ministerial Regulation Number 12 of 2016 on the Registration of Communication Service Customers, amended by Ministerial Regulation Num-

ber 14 of 2017, enforcement needs to be strengthened.

Second, blocking the flow of funds to cut off financial access. While the government has blocked some financial transactions related to online gambling, enforcement remains inconsistent due to fragmented efforts by law enforcement. Collaboration among Komdigi, law enforcement agencies, financial institutions, PPATK, banks, and the Financial Services Authority (OJK) needs to be enhanced. PPATK can trace suspicious financial flows linked to online gambling for prosecution. OJK, as the banking supervisory authority, plays a critical role in prevention and needs to actively monitor transactions. Strengthened oversight by OJK, including warnings or sanctions against banking institutions facilitating online gambling, is essential for creating deterrence.

Third, increasing education and public awareness about the dangers of online gambling. Public education campaigns should be expanded to schools and universities, as 80 percent of online gamblers are from the younger generation. These campaigns need to be delivered consistently through activities, print media, and electronic platforms to raise awareness of online gambling's negative impacts.

Fourth, enforcing effective legal action. Legal measures need to align with existing laws and regulations without selective enforcement. Article 45 paragraph (3) of the Information and Electronic Transactions (ITE) Law stipulates penalties of up to 10 years in prison and/or a fine of IDR10 billion for distributing, transmitting, or providing access to gambling content as outlined

in Article 27 paragraph (2). This provision should apply to players and operators, companies, financiers, and influencers involved in online gambling activities.

Fifth, developing advanced technology for preventing and prosecuting online gambling. The government should invest in artificial intelligence, machine learning, and big data analytics to monitor financial transaction patterns, track the behavior of online gamblers, and detect new gambling platforms in real-time.

Sixth, encouraging the formation of a Cyber Security and Resilience Law. This law would provide data protection and security guarantees, preventing illegal activities such as online gambling. By addressing the issue of servers located abroad, this law could significantly limit online gambling activities.

Conclusion

Online gambling has become a significant threat to Indonesia, impacting both the state and society. Economically, online gambling has caused substantial losses, while its psychological impacts include mental health disorders and addiction. The social consequences are even more severe, affecting the well-being of individuals and their surrounding environment.

Strategies to eradicate online gambling include reducing the intensity of gambling activities, blocking financial flows, increasing education and public awareness, enforcing effective legal measures, developing advanced technology for prevention and prosecution, and encouraging the establishment of the Cyber Security and Resilience Law.

The Working Committee on Online Gambling of DPR RI plays a crucial role in evaluating the effectiveness of existing policies and regulations, strengthening institutional coordination, analyzing technological requirements, and formulating comprehensive strategies to eradicate online gambling. Additionally, Commission III of DPR RI needs to urge law enforcement agencies to take decisive action against all individuals involved in online gambling activities.

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