RESEARCH SNAPSHOT

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Defining and estimating the illegal gambling market

What this research is about

Legal gambling is available in most jurisdictions around the world. However, illegal gambling is also very prevalent. The exact size of the illegal gambling market has been challenging to estimate. One reason is that it is difficult to obtain reliable data on illegal gambling activities. Furthermore, gambling laws and practices vary substantially from one jurisdiction to the next. In addition, technologies associated with illegal gambling continue to evolve, making it difficult to track illegal online gambling activities.

Despite these challenges, it is important from the perspective of consumer protection to accurately assess the illegal gambling market. Moreover, research indicates that illegal gambling operators encroach on areas of legal gambling. For instance, with the growth of sports betting globally, there is an increasing risk of interference in sporting events, such as match-fixing related to illegal gambling. Finally, the presence of illegal gambling results in less tax revenue for governments and can negatively impact efforts to implement public health initiatives.

To date, there have been numerous attempts by researchers to estimate the size of the illegal gambling market. However, there has yet to be a published report that aggregates the research on this topic. The primary aim of this study was to conduct the first known scoping review of methods used to estimate the illegal gambling market. The researchers outlined three research questions: (1) How is the illegal gambling market defined? (2) What are the challenges linked to illegal gambling? and (3) What methods have been used by researchers to estimate the size of the illegal gambling market?

What you need to know

Illegal gambling has emerged as a significant global concern. It involves placing bets on activities that are in violation of laws/regulations in a jurisdiction. However, there is still much to know regarding the size and impact of illegal gambling.

The researchers reviewed 31 studies and reports that have examined illegal gambling. How illegal gambling is defined varies across studies, highlighting its complex nature. Illegal gambling is associated with a lack of consumer protection, crime, fraud, transparency and integrity issues, and policy and public health challenges. Some studies used a bottom-up approach to assess illegal gambling, whereas others used a top-down approach. Overall, the review highlights the need for collaboration and the use of a combined methodological approach to accurately assess the illegal gambling market.

What the researchers did

The researchers undertook a scoping review to answer the outlined research questions. In doing so, they organized and analyzed studies on the methods used to measure the illegal gambling market.

The review focused on studies published between 2000 and 2023. It included a wide range of publications, including peer-reviewed articles, grey literature, case studies, and scientific reports. The analysis was performed using Covidence software, and the review followed the Preferred Reporting Items for Systematic reviews and Meta-Analyses (PRISMA) guidelines.

First, the researchers defined illegal gambling as activities that are in violation of laws/regulations in a jurisdiction. Any studies looking at illegal gambling were included in the review, whereas studies not published in English or published before 2000 were excluded. Legal commentaries and legal studies were also excluded.

What the researchers found

A total of 31 articles and reports met the inclusion criteria. Two themes and four sub-themes emerged from the review. The first major theme was 'understanding the illegal gambling market'. The second theme was 'estimating the illegal gambling market'.

Nine studies proposed definitions of illegal gambling. Definitions vary and involve elements such as gambling that violates laws of a particular jurisdiction. Several definitions include references to specific gambling activities. Also, some studies distinguished between 'black area' and 'grey area' of illegal gambling. A total of 19 studies looked at challenges associated with illegal gambling, including a lack of consumer protection, crime, fraud, transparency and integrity issues, and policy and public health issues.

Next, the researchers examined studies that estimated the illegal gambling market. The nine studies on this topic relied on one of two methods: bottom-up or top-down. The bottom-up method uses data sources collected at the local level to estimate the percentage of people gambling on illegal sites in the population. In contrast, the top-down method involves examining broader statistical information to provide an estimate of the size of the illegal gambling market. This is often based on national or regional data. The researchers point out that both have strengths and limitations, and the best approach may be to use a combined strategy to more adequately estimate the size of the illegal gambling market.

Overall, the review emphasizes the need for collaboration across disciplines and stakeholders, as well as innovative methods to measure illegal gambling.

How you can use this research

This review provides new insights into the scope and challenges of the illegal gambling market. The researchers provide suggestions for future research efforts to assess illegal gambling. The findings could be of interest to researchers, policymakers, and regulators.

About the researchers

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Citation

Chopin, J., Rodriguez, L. T., & Caneppele, S. (2024). Defining and estimating the illegal gambling market: A scoping review. *Journal of Economic Criminology, 4*, 100068. https://doi.org/10.1016/j.jeconc.2024.100068

Study Funding

Funding for this study was provided by the World Lottery Association.

About Greo Evidence Insights

Greo Evidence Insights is an independent, non-profit organization specializing in research, knowledge mobilization, and evaluation in the health and well-being sectors. Greo transforms research and insights into actionable strategies to prevent and reduce harm related to gambling, gaming, technology use, and substance use. To learn more about funding for Research Snapshots visit our website.