

Case study for the 2023 EEB Final round

SPORTS BETTING: A NEW ECONOMY BUILT ON VICE

In January 2018, the National Basketball Association (NBA) proposed a new legislative package for nationwide legalised betting on basketball games. As a partner in gambling, the NBA would earn one per cent on every bet placed on games. This raised an ethical dilemma because of the question of how widespread gambling could affect players' performance or their ability to influence games.

Today, sports betting is an integral part of the sports industry, with millions of people betting on their favourite teams and players every day. The European sports betting market is expected to grow during the forecast period from 2023 to 2030. The market is growing at a CAGR of 9.3% during the forecast period from 2023 to 2030 and is expected to reach USD 89,918.29 million by 2030, up from USD 44,483.13 million in 2022. Horse racing, football and cricket are the three most popular sports bets in Europe, while American football, basketball and golf are the most popular in the US.

The regulations and legal requirements for sports betting vary from country to country and even within individual states. The European gambling market comprises many countries, all of which have different attitudes and laws towards gambling. Some countries are more open to gambling than others and have correspondingly lucrative gambling markets. This becomes clear when looking at the gross gaming revenues (GGR) of European countries. The nation with the highest revenues is the United Kingdom, followed by Italy, Germany, France and Spain. The total revenue of the European gambling market reached 81.1 billion euros in 2020, a figure that is expected to rise to 126.3 billion euros by 2026.

One of the key elements currently driving the expansion of the market in Europe is the increasing desire for online gambling to guarantee authenticity and eliminate fraudulent operations. In addition, the expansion of hardware and software development in the online gambling sector by a number of key companies is ensuring a healthy market picture in the region. Casino and sports betting are also becoming increasingly popular with the public. The market in Europe is therefore growing with the increasing use of smartphones, cutting-edge internet features and rapid digitalisation. In addition, the growing popularity of online gambling offers profitable expansion opportunities for business investors, as it is a more cost-effective option than traditional gambling due to fewer betting restrictions. The business is positively influenced by the abundance of different online gambling websites that offer a wide range of games with more options. A number of advantages offered by internet gambling such as profits, worldwide accessibility and little to no pressure are fuelling the expansion of the market in this sector. Last but not least, the rapid adoption of blockchain, virtual reality (VR) and mobile platforms in online gaming is fuelling the growth of the industry in Europe.

One of the key benefits of legalised sports betting is undoubtedly the economic boost it brings. With the legalisation of sports betting, the revenues of sports leagues have increased and new jobs have been created in the industry. However, there are also concerns about the negative effects of widespread sports betting. One major concern is gambling addiction, as the accessibility of online platforms can make it easier for people to develop unhealthy gambling habits. Another concern is the potential for match-fixing, which threatens the integrity of sports competitions.

Many ethical concerns arise from the exploitation of sport, athletes and fans for financial gain. The pursuit of profit can overshadow the well-being of these people and potentially lead to harmful consequences for their physical and mental health.

Please, address this dilemmas:

- Talking about gambling in this way quickly becomes a classic argument pitting paternalism against freedom. If we do no harm to others, shouldn't we be free to dispose of our money as we see fit?
- Can the sports industry thrive without betting?
- Should sports betting be completely legalized or banned altogether? What distinguishes sports betting from other casino games?
- What about gambling addiction, which raises other ethical questions that go beyond the world of sport?