The Socio-Economic Implications of Sport Bet in Nigeria

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Abstract

Over 60million Nigerians which represent 25% are involved in one sport bet activity or the other. Statistically, 1 out of every 4 Nigerians engaged in sport bet an indication that showed how grounded the sport bet business has been over the last couple of years. Sport bet has come to stay in Nigeria but its socio-economic implications of sport bet cannot be ignored. It is against this backdrop that the study assessed the socio-economic implications of sport bet in Nigeria. The research design of the study was survey where questionnaires are distributed online with game theory as theoretical framework of the study. The findings of the study showed that sport bet has created the culture of bet addiction amongst Nigeria, lack of value for headwork, and promoted get-rich syndrome among the citizens. On economic front, it has created loss of resources because the number of those who win sport bet is infinitesimally low when compare to those who place bet regularly. The economic benefits only go to the bet company and the government who regulate their activities. It is recommended therefore that: government intervention is important in order to balance the economic benefit with social stability, reorientate the citizens about the implications of engaging in sport bet and impose heavy taxation on the bet companies as well as bet winners.

Keywords: Socio-Economic, Implication, Sport-Bet, Gambling, Nigeria.

Introduction

Sporty betting is ubiquitous activity that has taken centre stage in world of sports. Beyond the competition and the attendant stake, the business of sports in modern day has attracted different stakeholders who invest either as owner of betting company or bettor with significant amount of money exchanging hands. To some

enthusiasts, bet is like a reward for passion while to others it is business-oriented activity that needs to be learn as trade.

In the United States for instance, the sports betting industry is experiencing a meteoric rise. The economic impact is undeniable, with operators generating over $21 billion in revenue from an astounding $250 billion in total wagers. Leading the pack in revenue generation are states like New York and Nevada. As of October 2023, 37 states and Washington DC inclusive have embraced legal sports betting in various formats. There is no doubt that sports betting has firmly established itself as a pivotal player in the economic arena of regions where it is legalized (Mediawize, 2023).

In Africa for instance, the betting industry is worth a staggering $1billion while Lagos State accounted for a significant chunk of this revenue, generating $243 million in 2023 alone. Buttressing the claim, the Director-General of the Cross River State Lottery Gaming Agency, Michael Eja revealed that about 60 million Nigerians engage in betting activities daily and that Nigeria's gaming industry is presently generating between N500 billion and N600 billion annually (Akoje, 2024).

In Nigeria, the trend of sport betting has been so rampant to the extent that the National Lottery Regulatory Commission registered and licenced about 72 sport bet companies that now operate in Nigeria. The economic impact of sports betting in Nigeria is undeniable. It has become a significant contributor to the nation's GDP, generating substantial revenue through taxes, licensing fees, and employment opportunities. As the industry grows, it provides jobs for a vast number of Nigerians, from odds compilers to customer support staff. One of the key drivers of the Nigerian economy is the revenue generated from sports betting. Both the federal and state governments benefit from the taxes levied on betting activities. This revenue, in turn, is reinvested in public infrastructure, education, healthcare, and other critical sectors.

Beyond the economic benefits, sports betting has a social impact on Nigerian society. It fosters a sense of community and engagement among sports enthusiasts.

It creates a platform for friendly competition and discussions, adding to the vibrancy of Nigeria's sports culture (Scorebig, 2024).

Despite the huge potentials in the sport bet industry, the introduction has caused a lot of social and economic imbalance in Nigerian. Nigerian youths are getting addicted to sport bet, underage betting, the values attached to hard and legitimate work is now eroding, betting has crippled and ruined many Nigerians lives as substantial money big enough to start entrepreneurial activities have been lost to bet. Frustration from loss of money has resulted in many individual becoming wretched without hope while other resulted to committing suicide. It is against this backdrop that the study seeks to examine the socio-economic implication of sport bet in Nigeria.

Conceptual Review

Sporty betting

Although sports betting may be defined in different ways, the present study defines sports betting "as activity of predicting sports results placing a wager on the outcome" (Killy & Cameron, 2018). It involves placing a bet on the outcome of a sporting events, such as football game or tennis match, with the aim of winning money or other rewards (Lopez, 2017).

Economic Implication of Sport Bet

The betting economy or channel often varies by jurisdiction, which is normal and reflects a country's political and socioeconomic objectives. The gambling industry has a national or state-owned betting network that customers can use directly or over the Internet and is operated by the relevant body. This business sells a range of safe and legal betting products, such as sports bets, lottery tickets, instant lottery games, betting pools, horse and dog racing bets, and other types of drinking and betting opportunities. The licensed casino industry is a game of chance in many countries that can be found in a regulated and supervised physical or online casino.

Social and Cultural Implications of Sport Bet

In search for consensus, the goal is to increase generation of income and profits. However, over the years, the Olympic ideal of enhancing the quality of life and

education through the practice of sports and promoting sport has been supplemented by expectations and ideas of the masses. Today, various aspects are attributed to sport, which costs enormous amounts and therefore has to serve purposes other than athletics, such as creating enjoyment and entertainment. These additional functions are mainly connected to the sports industry, which is considered a central role in the cultural industry.

National identity, community engagement, and social cohesion have a profound influence on the life of a society and country. Sport is seen as contributing to all of these areas. There is clear evidence of the importance sport has in creating and influencing national identity. People can and do strongly associate with national teams and players. The disadvantage or advantage of social networks is that information can now be interpreted on a global scale. This means that a regionally manipulating game or change in instinct in one ethnic group in one corner can lead to international repercussions or apprehensions (Lartey, 2024).

The Role of National Lottery Regulatory Commission

The sport bet is a huge business venture with diverse stakeholders involved. In order to play by the rules, the National Lottery Regulation Commission in Nigeria has been saddled with the responsibility to:

a. Regulate the operation and business of the national lottery in Nigeria
b. In collaboration with the licensee, set standards, guidelines and rules for the operation of national lottery in Nigeria.
c. Promote transparency, propriety and integrity in the operation of national lottery in Nigeria.
d. Ensure the protection of the interests of players, stakeholders and the public in the national lottery.
e. Carry out a periodic assessment of the operation of national lottery in Nigeria and submit a report to the President and the National Assembly; and
f. Perform such other duties as may be directed by the President, from time to time, and as are necessary or expedient to ensure the efficient performance of the functions of the Commission under this (https://nlrc-gov.ng/functions-mandate/).

Empirical Review

Empirical Literature exists on the economic contribution of sport betting and gambling. The work of (Allen Consulting Group, 2011; Productivity Commission, 2010) showed that economies and regions benefit from gambling. For instance, In Tasmania, the economic benefits of gambling are estimated to be in the order of $383 million spent on gambling over a 12-month period, along with contributions to the Tasmanian economy through gambling-related employment, tourism, investment and community projects.

Gainsbury, S. M., Russell, A., Hing, N., Wood, R., & Blaszczynski, A. (2013). on the influence and impact of online betting showed that on-line sports betting is rapidly surpassing all other forms of gambling in terms of participation. For example, states that bet on football (soccer) has seen the largest growth in the sports betting sector, growing 69% between 2009 and 2012, although this has largely been driven by the popularity of in-play betting (not permitted on regulated Australian wagering sites). The global nature of the Internet, and sport itself, means that a considerable amount of money is spent in Australia on betting on sports events that occur internationally.

Still on the economic benefits of sport bet, Gainsbury and Russell (2013), noted that an estimated AUD$4.9 billion was wagered globally on the FIFA World Cup in South Africa in 2010, including AUD$110 million in Australia, a dramatic increase on the estimated AUD$1.1 billion spend on the 2006 tournament in Germany.

AMA (2013) research work on sports betting and youth's population established that youth market and young men have expanded the gambling activities and it has been diversified because young people are increasingly being exposed to messages from a broad range of media that endorse, promote and normalize gambling.

Earlier studies focused economic contribution of sport betting, others looked at the online access to sport bet, other studies investigated the influence of sport bet on youth's population. No recent studies to the best of our knowledge has been able to x-ray the socio-economic impact of sport betting on Nigerian citizens a gap which the study intends to fill.

Theoretical Framework

The study adopts **Game theory.** Game theory is a mathematical framework designed for analysing situations where the outcomes depend on the interactions of multiple decision-makers, known as players. It provides tools to model and predict the strategic behaviour of individuals in scenarios where their choices affect one another. At its essence, game theory examines how rational players make decisions when they are aware that their actions impact others and vice versa (Investopedia.com/terms/g/gametheory.asp). One of the core concepts in game theory is the *Nash Equilibrium*, named after mathematician John Nash. A Nash Equilibrium occurs when players choose strategies such that no player can benefit by unilaterally changing their own strategy while the others keep theirs unchanged. This concept helps in understanding the stability of strategic interactions, as it identifies situations where players have no incentive to deviate from their chosen strategies. Game theory also distinguishes between different types of games based on their characteristics but the Zero-Sum game shall apply to this study (Investopedia.com/terms/g/gametheory.asp).

Zero-Sum Games: In zero-sum games, one player's gain is exactly balanced by the losses of other players. Poker is a classic example, where the amount one player wins is lost by others. Non-zero-sum games allow for the possibility that all players can gain or suffer losses simultaneously, such as in business negotiations where a win-win outcome is possible. In sport bet case, the percentage of those who win is infinitesimally low compare to those who lose on daily basis. The money of the losers directly oils the betting company to remain in business as well as pay the very few ones who are lucky winners. in other words, sporty bet is zero-sum game as winners take all without any consideration of the loser (Investopedia.com/terms/g/game theory/asp).

Methods

The study adopted a survey research design. Survey research design helps to get or collect data from a very large population and it is quite affordable research design. Data are collected using the instrument of online google questionnaire to elicit response. The population of the study is drawn from four major cities in Nigeria. Two states from the South and two states from the North. Lagos Rivers

represents the southern states while Kano and Federal Capital Territory, Abuja represent the Northern states. Study population breakdown includes:

Lagos= 9,013,534
FCT= 1,405,201
Kano = 9,401,288
Rivers =5,185,400
Total = 25,005,423

Research Advisor Sample Size Table (2006) was used to determine the sample size from the total population of 25,005,423. 10million to 100million population falls within 2,654 sample size using 99% confidence and 2.5 margin of error. In other words, the sample size for the study is 2,654. The questionnaire is electronically distributed 2,500 questionnaire which represent 94% were retrieved from the respondents. The data were collected, collated and analyzed descriptively with the aid of content analysis.

Bio-Data of Respondents

Age	**Variable**	**Frequency**	**Percentage**
	18-40	1,933	77
	40 and above	567	23
	Total	**2,500**	**100**
Gender			
	Male	2,187	87
	Female	313	13
	Total	**2,500**	**100**
Geo-Political Zone			
	North-Central	407	16
	North-East	365	15
	North-West	252	10
	South-West	539	22
	South-East	498	20
	South-South	439	18
	Total	**2,500**	**100**

Type of Sports			
	Football	1,884	75
	Basketball	411	16
	Tennis	75	3
	Bable tennis	36	1
	Handball	25	1
	Rugby	11	0.44
	Darts	15	0.6
	Boxing	19	0.76
	Wrestling	10	0.4
	Others	14	0.56
	Total	**2,500**	**100**
Employment status			
	Employed	1,571	63
	Unemployed	900	36
		29	1.16
	Total	**2,500**	**100**
Religion	Islam	805	32.2
	Christianity	1,600	64
	Other	95	3.8
	Total	**2,500**	**100**

Field survey, 2025

The table shows that 1,933 respondents which represents 77% are between age 18 and 40 while 567 respondents which represent 23% are 40 years and above. This means that majority of those who engaged in sport bet are within age 18-40.

Also, the table shows that 2,187 respondents which represent 87% are male while 313 respondents which represent 13% are female. Tis means that sport betting is a male dominated activity and both genders indulge in it.

The data in the table shows that 407 respondents which represent 16% are from North Central of Nigeria, 365 respondents which represent 15% are from North-East, 252 respondents which represent 10% are from North-West, 539 respondents

which represent 22% are domicile in South-West, 498 respondents which represent 20% are In South-East and 439 respondents which represent 18% are from the South-South. This implies that south-west are the largest respondents by geo-political demarcation and that the respondents from south are more than the North.

The table shows that 1,884 respondents which represent 75% bet on football followed by 411 respondents which represent 16% who place bet on basketball while 75 respondents which represent 3% bet on tennis. It means that majority of the respondents place bet on football more than other sports.

According to the table, 1,571 respondents which represent 63 are employed bettors while 900 respondents which represent 36% are unemployed. This means majority of those who engage in sport bet have means of livelihood and that both employed and unemployed place bet.

The table shows that 805 respondents which represent 32% are Muslims while 1,600 respondents which represent 64% are Christians. It means the bulk of study's population is Christians.

Socio-economic implications of sport bet in Nigeria

Questionnaire	**Yes (%)**	**No (%)**	**Undecided (%)**	**Total**
Is it religiously right to place bet on?	1,685(67)	798(32)	17(1)	2,500
Addiction of Nigerian youths to sports bet	2,111(84)	380(15)	9(1)	2,500
Sporty bet being a means of livelihood	600(24)	1,891(75)	9(1)	2,500
Sports bet creating social-economic problem in Nigeria.	1,055(42)	812(33)	633(25)	2,500
Is sports bet a form of social vice?	996(40)	907(36)	597(24)	2,500
Can the government intervene in the sector?	1,403(56)	818(33)	279(11)	2,500

Field survey, 2025

The table shows that 1,685 of the respondents which represent 67% are strongly convinced that sport bet is religiously wrong activity while 798 respondents which represents 32% are not convinced that sport bet is religiously wrong and 17 respondents which represent 1% are undecided whether placing of bet is religiously wrong or right. The implication of this is that, Nigerians as a religiously inclined society embraced sport betting despite knowing that it is not religiously right to do so.

According to the table, overwhelming respondents which represent 84% are strongly in support that Nigerians youth are addicted to sport betting while 380 respondents which represent 15% are not in support that Nigerian youths are addicted to sport bet and 9 respondents which represent 1% are undecided whether Nigerian youths are addicted to sport bet or not. The implication of this is that, Nigerians and youths especially are addicted to spot betting activity that has affected that concentration.

600 respondents which represent 24% believed strongly that sporty betting is a reliable means of livelihood while 1,891 respondents which represent 75% disagree strongly that sport betting can be a means of livelihood and 9 respondents which represent 1% are undecided whether sport bet can be a reliable means of livelihood. The implication of this is that, sport betting cannot be a reliable means of livelihood despite the high level of patronage. Instead, the bet companies and government are making profits and generating revenue respectively.

The table further showed that 1,055 respondents which represent 42% strongly believed that sport betting created lots of social-economic problems while 812 respondents which represents 33% strongly disagree that sport bet created socio-economic problems 633 respondents which represents 25% are undecided whether sport bet created socio-economic problems or not. The implication of this is that, sport bet created both social and economic problems. Such include and not limited to: addition, contradicts the value of hard work, loss of money and the attendant frustration that comes with such loss.

According to the study, 996 respondents which represent 40% believe strongly that sport bet is a form of social vice while 907 respondents which represent 36%

strongly disagree that sport bet is a social vice and 597 respondents which represent 24% are undecided whether sport bet is a social vice or not. The implication of this is that, sport bet is a form of social vices but because of the economic angle of it, it has not received widespread condemnation in Nigeria.

In the study, 1,403 respondents which represent 40% strongly believed that government has a role to play while 907 respondents which represent 36% strongly disagree that government has role to play in the sector and 597 respondents which represent 24% are undecided on whether government has role to play or not. The implication of this is that, government has a big intervention role to play through policy, regulations, reorientation of addicted youths and reinvestment of the income coming from the tax on bet companies.

Discussion of findings

Sport betting activity is a form of social vice and it is religiously wrong to place a bet more so when younger people engaged in such act. This notwithstanding, sport bet did not receive widespread condemnation in Nigeria.

Finding showed that sport bet created both social and economic problems. Such include and not limited to: addition, contradicts the value of hard work, loss of money and the attendant frustration that comes with such loss. The implication of this is that, sport betting cannot be a reliable means of livelihood despite the high level of patronage. Instead, the bet companies and government are making profits and generating revenue respectively.

It was discovered by the study that the government has a big intervention role to play through policy, regulations, reorientation of addicted youths and reinvestment of the income coming through taxation on companies on more meaningful skill acquisition scheme.

Conclusion and Recommendations

60million Nigerians which represent 25% are involved in one sport bet activity or the other. Statistically, 1 out of every 4 Nigerians engaged in sport bet an indication that showed how grounded the sport betting business has being over the last couple of years. Sporty bet has come to stay in Nigeria despite its negative social-

economic impact on the citizens. Both government and bet companies are making money at the expense of Nigerians who have been grossly addicted. According to the study, government intervention in the sector becomes absolutely essentials in order to balance the economic benefits with social stability. The study recommended among others:

Government should effectively tax the sport bet companies according to the profit they make and the need to put heavy tax on bettors' winnings will generate more revenue for government which in turn can be reinvested in more youth's friendly skills acquisition programmes.

The mode of sport bet companies and operation should be under strict scrutiny to discourage their ever-increasing presence in Nigeria.

Government should try through advocacy and orientation to educate the citizens about the socio-economic consequences of engaging in sport bet activity and psychological therapy should be extended to the addicted ones who are willing to turn a new leave.

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APPENDIX

Dear friend, your assistance is needed to fill in these questionnaires. It is strictly for academic purposes. We will treat the information provided here with utmost confidentiality.
Thank you.
Researcher

BIO-DATA OF RESPONDENTS

Age:18-40 ( ) 40 and above ( )
Gender: Male ( ) Female ( )

Geo-Political Region

North-Central ( )
North-East ( )
North-West ( )
South-West ( )

South-East ( )
South-South ( )

Types of Sports
Football ( )
Basketball ( )
Tennis ( )
Table tenni ( )s
Handball ( )
Rugby ( )
Boxing ( )
Wrestling ( )
None of the above ( )

Employment status
Employed ( )
Unemployed ( )
Applicants ( )

Religion
Islam ( )
Christianity ( )
Others ( )

1. Are you a sport lover? Yes ( ) No ( ) Undecided ( )
2. Do you place bet on any game? If yes, Yes ( )
3. What type of game do you place bet on? Football ( ) Basketball ( ) Tennis ( ) Handball ( ) Table tennis ( ) Boxing ( ) Wrestle ( ) Rugby ( ) Others ( )
4. Do you visit sports bet shop to forecast, predict and place bet? Yes ( ) No ( ) Undecided ( )
5. Do you play sports bet online? Yes ( ) No ( ) Undecided ( )
6. Do you think it is religiously right to place bet on? Yes ( ) No ( ) Undecided ( )
7. Do you know if a lots of Nigerian youths' place bet? Yes ( ) No ( ) Undecided ( )
8. Do you notice addiction of Nigerian youths to sports betting? Yes ( ) No ( ) Undecided ( )

9. Do you think sporty betting can be a means of livelihood? Yes ( ) No ( ) Undecided ( )
10. How sustainable is this type of means of living? Highly sustainable ( ) Sustainable ( ) Lowly sustainable ( ) Unpredictable ( )
11. Do you think sporty betting can help to reduce poverty among Nigerian youths? Yes ( ) No ( ) Undecided ( )
12. In your view, do you think sports betting has any advantage to youths? Yes, a lot of advantages No, advantages, A waste of time and resources.
13. Do you think sports betting is a form of social vice? Yes ( ) No ( ) Undecided ( )
14. Do you think punters always win? If yes, how often? Very often ( ) Often ( ) Occasionally( )Rarely ( )
15. What do you think is responsible for the increase in sports bet companies in Nigeria? Sports bet business is lucrative ( ) It is a thriving business ( ) Regulation favours that practice in Nigeria ( ) Ever increased number of punters ( ) All of the above ( ).
16. Are you aware that sports bet has a legal backing in Nigeria? Yes ( ) No ( ) Undecided ( )
17. Will you agitate for the discontinuation of sports betting in Nigeria?Yes ( ) No ( ) Undecided ( )18. Do you think it should be more regulated? Yes ( ) No ( ) Undecided ( )
19. How can the government make money from this line of business? Government increased taxation ( ) Deduct certain percentage from winners ( ) Outright discontinuation
20. Do you think sports bet created social-economic problem in Nigeria? Yes ( ) No ( ) Undecided ( )