

**General Studies-2; Topic– Government policies and interventions for development in various sectors and issues arising out of their design and implementation.**

**Law Commission on Legalising Gambling**

**1) Introduction**

- The Law Commission of India (LCI) has recommended that the government should consider legalising gambling and betting as a regulated activity.
- The commission prepared its report under a Supreme Court directive based on RM Lodha panel's recommendations on legalising betting in sport.

**2) Key Recommendations by LCI**

- The law commission suggests changes in law to regulate gambling and betting.
- In keeping with the changing times, the State should re-examine the ban on gambling.
- Linking the betting amount with the player's PAN card and Aadhaar card.
- Making the transactions cashless, to regulate illegal activities such as money laundering.
- Government to modify the foreign direct investment (FDI) policy to allow FDI in the casino and online gaming industry.
- Placing restrictions on gambling by youngsters and children below the age of 18 years and those who are below the poverty line to whom the State provides social security measures.
- Parliament may also enact a model law for regulating gambling that may be adopted by the states.
- Gambling be classified on the basis of the stakes involved, with the government regulator deciding how much money people from "lower-income groups" can put.
- Stronger laws to curb match fixing and incidents of cheating.
- There must be a cap on the number of transactions an individual can indulge in these activities in a specific period, i.e., monthly, half-yearly or yearly.
- Websites advertising gambling must ensure that there is no objectionable or pornographic content on display on their platforms.

**3) Arguments for Legalising Gambling**

- Enforcement agencies have been unable to curb the spread of illegal gambling in the country
- To curb the menace of black-money generation through illegal gambling.
- Large-scale illegal gambling deprives the State of revenue-earning opportunities.
- A good option could be to legalise, regulate and tax the resultant income.
- The revenue could be used for public welfare.
- A report said there was an informal Rs 300,000 crore annual betting industry in India.
- Apart from revenue, legalising and regulating the gambling sector could also help generate valuable employment.
- It propels the growth of tourism and hospitality industries.
- A robust regulatory framework will ensure that people do not fall prey to the excesses of gambling.
- Regulation would empower the government to identify and prevent instances of gambling by minors and "problem-gamblers".
- It will save the public from any kind of inconvenience at the hands of the law enforcement authorities.
- Regulating these activities would "strike at the underworld's control over the illegal and unregulated gambling industry".

#### 4) Arguments against Legalising Gambling

- India is a developing nation where large sections of the population still survive on daily wages.
- It may push the innocent masses into poverty.
- It could leave the poor poorer and promote vested interests.
- The socio-economic and cultural circumstances of the country are not pragmatic to accept legalised gambling activities, as it is still treated as a social stigma.
- Gambling should not be permitted in order to save the future generation from treading unethical paths.
- There can be no guarantee that legalising regulated gambling will stop flowing of black money.
- Companies will host betting apps, tempting poor people to try their luck.
- Betting and gambling causes addiction, loss of livelihoods and bankruptcy.
- Gambling attracts crime.
- Gambling promotes the idea that luck, not education and hard work, is the key to success.
- Gambling sets up artificial risks and glorifies individuals who take the biggest, most foolish risks.
- There are numerous instances of people losing their livelihoods and committing suicide due to gambling.

#### 5) Concerns / Challenges

- With the advent of online gambling and the anonymity it ensures, gambling and betting activities have acquired a global presence.
- It has, therefore, become more challenging for countries to monitor or curb these activities.
- If Parliament wishes to legislate on the subject, it will be difficult to do so, as the subject of gambling figures in the State List.

#### 6) International Practice

- Japan has the largest national betting market in the world, allows betting on horse racing, cycling, motorbike racing and boat racing.
- The regulated gambling industry in the U.S. employs over 2.5 lakh people, while over 1 lakh individuals are employed in this sector in the U.K.

#### 7) Way Forward

- Awareness campaigns should be in place to educate people about the perils of excessive gambling
- Encouraging youth to invest in mutual funds, shares, FD, etc, i.e. investing in companies and trading instead of gambling.
- Proper monitoring to ensure that minors, vulnerable sections are excluded from gambling.
- If gambling is legalised, then implementing the recommendations of Law commission in letter and spirit.