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# Regulating and mitigating the risks of youth sports betting in Ethiopia

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## Abstract

The rapid expansion of sports betting in Ethiopia presents a critical challenge, demanding urgent regulatory intervention to address its detrimental impact, particularly on youth. The core objective of the study was to analyse the causal relationships and mediating factors between crime rates, familial discord, and mental health issues associated with gambling activities, and to recommend the most effective means of mitigating the activity. Employing a normative legal research methodology, this article critically examined Ethiopia's existing legal framework, including the National Lottery Administration Re-establishment Proclamation No. 535/2007 and the Sports-Betting Lottery Directive No. 172/2021. This analysis was complemented by a comprehensive literature review, comparative studies of international regulatory models (specifically the UK), and practical observations within the Ethiopian context. The findings revealed that the current regulatory focus on revenue generation inadequately addresses the profound social harms. Notably, the study established a

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clear correlation between increased betting activities and heightened crime rates, alongside significant adverse effects on family stability and mental health. The vulnerability of youth, exacerbated by pervasive advertising and online accessibility, is a central concern. Critical gaps within the existing legal framework, including unregulated advertising and weak penalties, were identified. Crucially, the current law fails to prevent money laundering by not requiring proof of the source of funds, and also fails to regulate advertisements. The practical significance of this research lies in its potential to inform immediate policy reforms. Key recommendations included stringent licensing requirements, mandatory disclosure of betting's negative impacts, comprehensive advertising prohibitions, mandatory source-of-funds declarations from bettors, mental health screening for participants, reduced maximum payout limits, and clearly defined penalties for violations. The establishment of a dedicated gambling commission, akin to the UK model, was also proposed. This study underscored the urgent need to prioritise youth protection and social well-being over short-term economic gains

### Keywords:

sports betting regulation; youth vulnerability; crime and gambling; advertising prohibition; legal reform

### Introduction

The allure of sports betting has swept across Ethiopia over time, capturing the imagination of both adults and youth. While the industry offers potential for economic growth and entertainment, it also presents a significant challenge: the potential for addiction and adverse consequences for young people. Despite the existence of regulation, sports betting remains widespread, particularly among Ethiopian youth. Although the authors have not been able to find recent data, a 2020 report identified 42 sports betting companies operating in Ethiopia. Special studies indicate that participation in sports betting is increasingly prevalent among adolescents and young adults, often viewed as an attractive means of financial gain or entertainment (Andarge, 2021). This engagement can lead to significant negative outcomes, including addiction, financial instability, and deteriorating mental health. Research conducted among secondary school students in Addis Ababa reveals alarming trends: many young bettors report prioritising gambling over academic responsibilities, leading to declining educational performance and increased dropout rates.

The allure of quick financial rewards, as stated by A. Haji *et al.* (2022) and E. Workeshet Berhance (2024), can create a cycle of dependency in which individuals gamble not only their discretionary income but also essential funds intended for education or family support. This phenomenon is especially escalated by the normalisation of gambling through media portrayals and peer influence, which further exacerbates these issues. Young people are often exposed to messaging that glamorises betting as a socially acceptable activity, contributing to a lack of awareness regarding its potential dangers. This cultural shift towards acceptance is diminishing familial and community bonds, as individuals become increasingly isolated by their gambling habits.

Furthermore, as E.L. Grinolsa & D.B. Mustard (2021) clearly state, from a psychological standpoint, problem gambling is often associated with impulsivity and low self-control. Studies estimate that individuals identified

as problem gamblers are between 4.3 and 7.6 percentage points more likely to commit crimes compared to non-gamblers. This heightened risk is compounded by the fact that many problem gamblers engage in illegal activities as a means of recouping financial losses or managing debts related to their gambling behaviour. Approximately 50% of crimes committed by individuals with gambling disorders are directly linked to their gambling activities. Sociologically, the prevalence of problem gambling within criminal populations is alarming. Research conducted by K. Lind *et al.* (2021) indicated that about 73% of incarcerated individuals meet the criteria for problem gambling, highlighting a significant overlap between gambling disorders and criminal behaviour. Many offenders report committing crimes such as robbery or theft specifically to finance their gambling habits or pay off associated debts. Furthermore, the relationship between gambling and crime can be viewed through various criminological theories. For instance, rational choice theory posits that individuals may weigh the potential benefits of committing a crime against the risks involved, often leading them to engage in illegal activities when they perceive a greater need for financial resources (Taye *et al.*, 2020). O. Kolos *et al.* (2023) examined instances of uncontrolled violence that arose in Ukraine due to the gambling industry.

Another crucial aspect of this relationship is the role of co-occurring issues such as substance abuse and mental health disorders. Many individuals with gambling problems also struggle with alcohol or drug dependencies, which further exacerbates their likelihood of engaging in criminal behaviour. A study by A. Adolphe *et al.* (2018) has shown that those with both gambling and substance use disorders are significantly more likely to report having committed violent crimes compared to those without these co-occurring issues.

As the above discussion demonstrates, the problems and effects of sports betting persist even in the presence of existing laws aimed at regulation. This Article aimed to highlight the current effects of sports

betting in Ethiopia and, based on those effects, advocate for more stringent laws, including the possibility of a complete ban on the activity. It will also draw on the experiences of countries that have successfully implemented total bans.

## Materials and Methods

This study employed a normative legal research methodology, which focuses on the examination of laws and legal systems as they ought to be. Within this legal research framework, several methods are utilised, including critical analysis, literature review, comparative study, and practical observation. The critical analysis method is employed to scrutinise existing laws related to betting in Ethiopia, such as the National Lottery Administration Proclamation of 2002<sup>1</sup>, the National Lottery Administration Re-establishment Proclamation No. 535/2007<sup>2</sup>, the Sports Betting Lottery Directive No. 172/2021<sup>3</sup>, and the Advertisement Proclamation No. 759/2012<sup>4</sup>. This analysis aimed to highlight the inadequacies of these regulations, particularly noting that they do not effectively impose a total ban on sports betting.

Since normative legal research relies heavily on secondary data sources, including legislation, court decisions, legal theories, and scholarly studies, the literature review method is employed to gather insights from scholars and researchers regarding the current expansion of betting in Ethiopia. This includes examining its relationship with crime and its effects on mental health, as well as the broader social problems associated with it. Additionally, the comparative method is utilised to draw lessons from countries such as the United Kingdom<sup>5,6</sup>, which have implemented partial bans on sports betting. This approach seeks to provide insights into how Ethiopia can effectively enforce such a ban and develop appropriate legal measures based on the experiences of those countries. The practical observation method is applied to illustrate and narrate the current effects of betting in Ethiopia. This includes firsthand accounts and observations that reveal the real-world implications of betting activities.

## Results and Discussion

**The economic and social impact of sports betting on youth in Ethiopia.** The legal landscape governing sports betting in Ethiopia is primarily shaped by the National Lottery Administration (NLA), which oversees all gambling activities in the country. The NLA operates under the National Lottery Administration Re-establishment Proclamation No. 535/2007<sup>7</sup> and the more recent Sports-Betting Lottery Directive No. 172/2021<sup>8</sup>. These regulations aim to ensure that betting activities are conducted fairly and responsibly while generating revenue for the government. The legal age for participating in sports betting is set at 21 years, reflecting an effort to protect younger populations from potential gambling-related harms.

As noted, the rapid expansion of sports betting in Ethiopia has reshaped the social fabric and affected the mental health of users, while also introducing significant political and crimelated challenges. As the industry continues to grow, it is essential to analyse its multifaceted impacts on the economy, the political environment, and crime rates within the country (Abdi *et al.*, 2013). The economic implications of sports betting in Ethiopia are profound. On one hand, the industry has emerged as a critical source of revenue for the government. Licensed betting operators are subject to various taxes and fees that contribute significantly to public funds (Girma, 2023). For instance, it is stated in Proclamation No. 535/2007<sup>9</sup> that sports betting companies in Ethiopia are mandated to pay a 30% income tax on their profits, alongside a 15% tax on winnings distributed to bettors. This taxation framework generates substantial income for the state, which can be allocated to social services and infrastructure development. Moreover, the sports betting sector creates numerous job opportunities across various levels of the economy. From customer service roles in retail betting shops to positions in marketing, IT, and financial management within online platforms, the industry has stimulated employment growth (Gathuru, 2021). The proliferation of betting shops and online platforms has also led to an increase in ancillary services; for example, there is a

<sup>1</sup> Proclamation of the Federal Democratic Republic of Ethiopia No. 271 "On the National Lottery Administration". (2002, April). Retrieved from [https://www.lawethiopia.com/images/federal\\_proclamation/proclamations\\_by\\_number/271.pdf](https://www.lawethiopia.com/images/federal_proclamation/proclamations_by_number/271.pdf).

<sup>2</sup> Re-establishment Proclamation of the National Lottery Administration of the Federal Democratic Republic of Ethiopia No. 535/2007. (2007, July). Retrieved from <https://www.scribd.com/document/657246627/Proc-No-535-National-Lottery-Administration>.

<sup>3</sup> Sports-Betting Lottery Directive of the Federal Democratic Republic of Ethiopia No. 172/2021. (2021, June). Retrieved from <https://cms.law/en/int/expert-guides/cms-expert-guide-to-gambling-laws-in-africa/ethiopia>.

<sup>4</sup> Advertisement Proclamation of the Federal Democratic Republic of Ethiopia No. 759/2012. (2012, August). Retrieved from <https://chilot.wordpress.com/wp-content/uploads/2012/09/advertisement-proclamation.pdf>.

<sup>5</sup> Gambling Act 2005 of the United Kingdom. (2005, April). Retrieved from <https://www.legislation.gov.uk/ukpga/2005/19/contents>.

<sup>6</sup> Statement of Licensing Policy 2023-2026 of the United Kingdom. (2023, June). Retrieved from <https://www.barnsley.gov.uk/media/kepepyag/gambling-act-2005-policy-2023.pdf>.

<sup>7</sup> Re-establishment Proclamation of the National Lottery Administration of the Federal Democratic Republic of Ethiopia No. 535/2007. (2007, July). Retrieved from <https://www.scribd.com/document/657246627/Proc-No-535-National-Lottery-Administration>.

<sup>8</sup> Sports-Betting Lottery Directive of the Federal Democratic Republic of Ethiopia No. 172/2021. (2021, June). Retrieved from <https://cms.law/en/int/expert-guides/cms-expert-guide-to-gambling-laws-in-africa/ethiopia>.

<sup>9</sup> Re-establishment Proclamation of the National Lottery Administration of the Federal Democratic Republic of Ethiopia No. 535/2007. (2007, July). Retrieved from <https://www.scribd.com/document/657246627/Proc-No-535-National-Lottery-Administration>.

growing demand for sports analysts, tipsters, and content creators who provide insights and information to bettors. This job creation can have a multiplier effect on local economies by increasing consumer spending and stimulating demand for related services such as hospitality and transportation (Tagoe *et al.*, 2018).

However, these economic benefits come with significant costs. The rise of sports betting is often accompanied by increased financial strain on households, particularly among low-income individuals who may gamble away essential funds needed for basic necessities (Dowling *et al.*, 2019). Studies have indicated that financially constrained households tend to allocate larger portions of their income to gambling activities, which can lead to detrimental effects on savings and overall economic stability (Williams *et al.*, 2011). In extreme cases, individuals may resort to borrowing or engaging in criminal activities to finance their gambling habits, further exacerbating their financial difficulties. Additionally, as J.M. Gathuru (2021) stated, while the government benefits from tax revenues generated by legal betting operations, illegal gambling activities pose a substantial risk to this economic model. The existence of unregulated betting houses undermines legitimate operators and deprives the government of potential tax revenue. Consequently, more effective regulation is crucial for consumer protection.

The relationship between gambling and crime is another significant area of concern, with numerous studies indicating that increased gambling activities correlate with higher crime rates (van der Maas *et al.*, 2024). This analysis explores the impact of gambling on crime from various perspectives, including statistical evidence, psychological factors, and sociological implications (Shelp, 2017). Research has consistently shown a strong link between gambling expenditure and crime rates. A landmark study conducted in New South Wales, Australia, revealed that for every 10% increase in gambling spending, there were substantial increases in various types of crime, including over 4,500 additional assaults and 2,800 home break-ins annually (Williams *et al.*, 2007). This suggests that the negative impacts of gambling extend beyond individual gamblers to affect entire communities, leading to increased rates of criminal activity even among non-gamblers. The findings indicate that as gambling expenditures rise, so too does the incidence of crimes such as theft, fraud, and assault, which are often driven by the financial desperation of problem gamblers seeking to fund their habits or pay off debts incurred through gambling (Grinolsa & Mustard, 2021).

In general, sports betting in Ethiopia, regulated by the National Lottery Administration, generates

significant government revenue and employment, yet its rapid growth comes at a high social cost. It contributes to financial strain, particularly among low-income households, and is strongly linked to increased crime rates driven by problem gamblers. The existing regulatory framework, focused primarily on revenue generation, fails to adequately address these profound social harms, necessitating more robust consumer protection and effective regulation of the burgeoning industry.

**From total ban to regulation with restrictions: Lessons from the UK, Saudi Arabia, Qatar, and Sudan.** The United Kingdom permits sports betting subject to comprehensive harm prevention measures. This prevention strategy is characterised by a robust and evolving regulatory framework that prioritises transparency, data-driven interventions, and targeted consumer protection (van der Maas *et al.*, 2024). The Gambling Act, in force since 2005<sup>1</sup> and updated in 2023<sup>2</sup>, mandates betting companies to monitor user behaviour, set mandatory spending and loss limits – particularly for the most vulnerable age group of 18-24 years – and finance treatment for pathological gambling through a dedicated tax. Operators are required to identify at-risk players by analysing behavioural data and to intervene with warnings, self-exclusion options, or referrals to support services. Advertising is tightly regulated: all promotions targeting children and adolescents are banned, as are ads featuring sports celebrities. The Premier League has voluntarily agreed to remove gambling sponsors from team uniforms (Lind *et al.*, 2023). The UK also emphasises collaborative data sharing across betting companies to prevent high-risk individuals from circumventing controls by opening multiple accounts, while ensuring data privacy. Furthermore, online betting platforms must be “safe by design”, incorporating features that minimise risk, such as slowing game speed and requiring mandatory limit-setting. These measures are the product of extensive consultation and are continuously refined based on behavioural science and emerging evidence, aiming to balance individual freedom with the protection of vulnerable groups.

In stark contrast, Saudi Arabia, Qatar, and Sudan adopt a prohibitionist approach rooted in Islamic law, where all forms of gambling, including sports betting, are strictly illegal and punishable by criminal penalties. There are no legal operators, no harm reduction programmes, and no responsible gambling initiatives. Prevention is achieved through legal deterrence and active law enforcement, with authorities monitoring and prosecuting illegal betting activities (PastwaWojciechowska, 2011). This absolute ban leaves no room for regulated betting or harm reduction for those who participate illicitly, and there is little public discussion

<sup>1</sup> Gambling Act 2005 of the United Kingdom. (2005, April). Retrieved from <https://www.legislation.gov.uk/ukpga/2005/19/contents>.

<sup>2</sup> Statement of Licensing Policy 2023-2026 of the United Kingdom. (2023, June). Retrieved from <https://www.barnsley.gov.uk/media/kepepyag/gambling-act-2005-policy-2023.pdf>.

or research on gambling-related harm in these societies due to the social and religious stigma attached to the activity (Dowling *et al.*, 2019).

Ethiopia occupies a middle ground: sports betting is legal and regulated under the NLA, with specific directives and licensing requirements. However, the Ethiopian system is characterised by weak enforcement, widespread illegal and unlicensed operations, and poor consumer protection. Although regulations exist to restrict underage betting and promote responsible gambling, these are often not implemented effectively, allowing minors easy access to betting shops and online platforms (Grinolsa & Mustard, 2021). The rapid growth of betting establishments, driven by low entry barriers and economic incentives, has outpaced the development of regulatory and support structures. Studies in Ethiopia consistently highlight the negative psychosocial and economic impacts of betting, especially among youth, including addiction, financial distress, and mental health problems. While betting generates some government revenue and employment, these benefits are undermined by the prevalence of unregistered operators and the lack of systematic tax collection (Kryszajtyś & Matheson, 2017). The absence of robust monitoring, clear regulatory frameworks, and accessible treatment or counselling services leaves vulnerable populations exposed to significant harm. From these international experiences, Ethiopia can draw several lessons. The UK's advanced regulatory model demonstrates the importance of integrating behavioural monitoring, mandatory loss limits, strict advertising controls, and collaborative data sharing into a comprehensive harm-reduction strategy (Lind *et al.*, 2021).

Ethiopia could benefit from adopting similar technological and regulatory tools, strengthening enforcement, and establishing accessible support services for problem gamblers. However, Ethiopia faces substantial challenges in replicating these policies. Implementing advanced monitoring systems and loss limits requires significant investment in technology and regulatory capacity, which may exceed current institutional resources. Moreover, the economic reliance on betting revenues and the normalisation of betting as a source of employment complicate efforts to impose stricter controls. On the other hand, the prohibitionist models of Saudi Arabia, Qatar, and Sudan are unlikely to be effective in Ethiopia's context. A total ban would not only be culturally and economically disruptive but could also drive betting underground, making it harder to monitor and mitigate harm. Furthermore, such an approach offers

no support to those already affected by gambling problems. In summary, while Ethiopia's current regulatory approach is insufficient to address the growing risks of sports betting, especially among youth, the country can learn from the UK's evidence-based, harm-reduction strategies by strengthening enforcement, leveraging technology for monitoring and intervention, and fostering public awareness and support services. However, Ethiopia must adapt these lessons to its own social, economic, and institutional realities, acknowledging that both resource constraints and the existing integration of betting into the economy pose significant obstacles to adopting either the UK's comprehensive model or the total bans seen in some Islamic countries.

**Analysis of the current sport betting legislation in Ethiopia.** As per the new Sports Betting Directive No. 172/2021<sup>1</sup>, a person who wishes to establish and operate a sports betting business in Ethiopia is required, first and foremost, to complete an application form and submit it to the National Lottery Administration. In addition to the form, the applicant is obliged to provide a bank statement confirming the availability of the initial capital required to operate the business, proof of a contract with a legally registered civil society organisation in Ethiopia for making donations as part of their social responsibility, and a bank statement serving as a guarantee of 1.5 million Br. Upon fulfilling the above requirements, the sports betting company may commence operations. These requirements are also explicitly outlined in Article 17 of the National Lottery Re-establishment Proclamation<sup>2</sup>. After beginning operations, if the sports betting company is found to be operating outside of these procedures and in contravention of the law, the initial response will be a seven-day warning to rectify their conduct in accordance with the legal requirements. If no corrective action is taken, a final three-day warning will be issued. Should the company fail to comply after this final notice, it will be suspended, in accordance with Article 6(1) of the Directive and Article 16 of the National Lottery Re-establishment Proclamation<sup>3</sup>.

On the other hand, according to Article 6(2) of the Directive<sup>4</sup>, a licence may be cancelled under the following circumstances: if forged documents were submitted during the application process; if the business fails to commence operations within 60 days of receiving the licence; if it ceases operation for more than 30 consecutive days, meaning it no longer provides services; or if the licence is not renewed within the timeframe stipulated in the Directive. These grounds are also provided in Article 14 of the National Lottery Re-establishment

<sup>1</sup> Sports-Betting Lottery Directive of the Federal Democratic Republic of Ethiopia No. 172/2021. (2021, June). Retrieved from <https://cms.law/en/int/expert-guides/cms-expert-guide-to-gambling-laws-in-africa/ethiopia>.

<sup>2</sup> Re-establishment Proclamation of the National Lottery Administration of the Federal Democratic Republic of Ethiopia No. 535/2007. (2007, July). Retrieved from <https://www.scribd.com/document/657246627/Proc-No-535-National-Lottery-Administration>.

<sup>3</sup> *Ibidem*, 2007.

<sup>4</sup> Sports-Betting Lottery Directive of the Federal Democratic Republic of Ethiopia No. 172/2021. (2021, June). Retrieved from <https://cms.law/en/int/expert-guides/cms-expert-guide-to-gambling-laws-in-africa/ethiopia>.

Proclamation<sup>1</sup>. Article 7 of the Directive and Article 15 of the Proclamation<sup>2</sup> address the conditions for licence renewal. According to these provisions, licences must be renewed annually between Hidar and Tahisas in the Ethiopian calendar (approximately from 10 November to 8 January). When applying for renewal, the betting company must provide proof of commission payments to the NLA, documentation confirming support for civil society in Ethiopia as part of its social responsibility, and evidence of income tax payment. Only upon fulfilling these requirements will the betting licence be renewed, along with the payment of a renewal fee of 1 million Br.

Directive No. 172/2021<sup>3</sup>, under Article 9, outlines how payments are to be made to winners of sports betting. According to the article, payments must be made within 15 days, and a 15% income tax on winnings is to be deducted and paid monthly to the Revenue Ministry. The maximum amount a sports betting company can award a winner is 1 million Br; no prizes may exceed this limit. If a game on which a bettor has placed a wager does not take place, the company is required to refund the money to the bettors. Betting companies are expected to pay a 15% commission to the NLA from their gross income and deduct 15% from winners' payouts, to be submitted as income tax to the Revenue Ministry when winnings exceed 1,000 Br. This requirement is stipulated in Article 17 of the National Lottery Re-establishment Proclamation<sup>4</sup> and corresponds with Article 7 of the previous National Lottery Administration Proclamation of 2002<sup>5</sup>. Furthermore, betting companies are expected to allocate approximately 0.5% of their gross income to support civil society organisations in Ethiopia. The Directive further states under Article 16 that betting houses must not be located within 500 metres of schools or religious institutions. Additionally, it prohibits individuals from participating in betting activities while wearing school uniforms. Article 18 addresses penalties for violations. The current legislation raises the minimum betting age from 18 to 21, compared to the previous Sports Betting Directive No. 82/2005<sup>6</sup>.

As clearly expressed in the spirit of the current sports betting law<sup>7,8</sup>, the government's primary aim is to generate economic benefit from the operation of sports betting in Ethiopia. Less attention is given to the social

and economic consequences of this activity on young people. As noted in the previous section, sports betting contributes to rising crime rates, family breakdown, and mental health issues among participants. As stated from the outset, and in light of these impacts, it would be preferable to implement a total ban on sports betting, as has been done in countries such as Qatar, Brazil, the United Arab Emirates, Brunei, Algeria, Afghanistan, Bahrain, Jordan, Cambodia, Lebanon, North Korea, the United States (Utah), Mauritania, Guinea-Bissau, Libya, Sudan, Somalia, Burundi, and Eritrea. These countries have implemented complete bans on sports betting due to religious, cultural, and societal reasons. In these contexts, governments often prioritise maintaining social order and upholding moral values over short-term economic gains. As O. Kolos *et al.* (2023) stated, in the absence of criminal liability for this type of offence, it is impossible to ensure the legal protection of individuals involved in gambling. The fear of gambling-related problems, such as addiction and financial instability, also plays a significant role in shaping these decisions. Additionally, historical and legal frameworks often influence current gambling policies, as seen in countries with long-standing bans on certain forms of gambling.

As demonstrated by these countries, Ethiopia should prohibit sports betting. The country should prioritise public health and the well-being of its youth over the economic gains generated by the sector. The multifaceted consequences of failing to implement such a ban negatively impact the country in numerous ways. At the very least, if a complete ban is not feasible, improvements and amendments to the current legislation governing sports betting are essential. Firstly, the requirements for starting a betting business, as outlined in Article 12 of the Directive, should be made more stringent, limiting entry into the sector and thereby reducing widespread involvement. For example, the guarantee currently required to enter the industry – 1.5 million Br – should be increased to deter casual participation and to raise the barrier for market entry. Additionally, the Directive should require betting companies to publicise the negative effects of gambling. Operators should be legally obliged to inform participants of the associated risks. For example, companies could

<sup>1</sup> Re-establishment Proclamation of the National Lottery Administration of the Federal Democratic Republic of Ethiopia No. 535/2007. (2007, July). Retrieved from <https://www.scribd.com/document/657246627/Proc-No-535-National-Lottery-Administration>.

<sup>2</sup> Sports-Betting Lottery Directive of the Federal Democratic Republic of Ethiopia No. 172/2021. (2021, June). Retrieved from <https://cms.law/en/int/expert-guides/cms-expert-guide-to-gambling-laws-in-africa/ethiopia>.

<sup>3</sup> *Ibidem*, 2021.

<sup>4</sup> Re-establishment Proclamation of the National Lottery Administration of the Federal Democratic Republic of Ethiopia No. 535/2007. (2007, July). Retrieved from <https://www.scribd.com/document/657246627/Proc-No-535-National-Lottery-Administration>.

<sup>5</sup> Proclamation of the Federal Democratic Republic of Ethiopia No. 271 "On the National Lottery Administration". (2002, April). Retrieved from [https://www.lawethiopia.com/images/federal\\_proclamation/proclamations\\_by\\_number/271.pdf](https://www.lawethiopia.com/images/federal_proclamation/proclamations_by_number/271.pdf).

<sup>6</sup> Sports Betting Directive of the Federal Democratic Republic of Ethiopia No. 82/2005. (2005). Retrieved from <https://chilot.wordpress.com/2021/02/28/sport-betting-directive-140-2013/>.

<sup>7</sup> Sports-Betting Lottery Directive of the Federal Democratic Republic of Ethiopia No. 172/2021. (2021, June). Retrieved from <https://cms.law/en/int/expert-guides/cms-expert-guide-to-gambling-laws-in-africa/ethiopia>.

<sup>8</sup> Re-establishment Proclamation of the National Lottery Administration of the Federal Democratic Republic of Ethiopia No. 535/2007. (2007, July). Retrieved from <https://www.scribd.com/document/657246627/Proc-No-535-National-Lottery-Administration>.

be required to produce and distribute informational booklets outlining the harms of betting. Furthermore, both the Directive and the Advertisement Proclamation No. 759/2012<sup>1</sup> should explicitly prohibit the advertising of betting across social media platforms and television broadcasts. These provisions are currently absent from the legislation and must be incorporated to help minimise youth participation. Moreover, betting companies should be mandated to verify the source of bettors' funds. Before participating, individuals should be required to provide evidence that their betting money originates from legitimate sources such as a salary, business income, donations, or other verifiable means<sup>2</sup>. This measure would help ensure that funds from illicit or criminal sources are not used within the sector.

Directive No. 172/2021<sup>3</sup> should also include provisions requiring the mental health of participants to be assessed. Companies should only permit individuals who can provide proof of sound mental health to participate in betting activities. This would ensure an additional layer of protection for vulnerable individuals. Furthermore, the minimum age requirement, currently set at 21 under Article 10 of the Directive, should be raised to 25. In addition, the maximum allowable prize from a single betting event – currently 1 million Br – encourages widespread engagement in the sector and should be re-evaluated and potentially reduced to discourage excessive participation. Therefore, this requirement should be lowered to as little as 100,000 Br or less, which may serve to discourage individuals from entering the sector. Additionally, the number of branches that a single betting company is permitted to operate should be further limited to help curb the spread of the industry. Furthermore, the Directive and the National Lottery Re-establishment Proclamation<sup>4</sup> fail to specify the penalties applicable to individuals, such as when someone under the age of 21 engages in betting. A law without enforceable penalties lacks effectiveness. Consequently, the Directive should clearly detail the penalties for each violation outlined in both the Directive and the Proclamation. Moreover, the social responsibility obligations imposed on current betting companies are minimal and should be significantly extended.

The findings of this study, while consistent with several established trends in sports betting research in Ethiopia, also present distinct perspectives that diverge from earlier research. Notably, this analysis supports the findings of researchers such as M.G. Yitbarek & K.K. Getahun (2019), whose study in Bahir Dar City documented financial strain and interpersonal conflict

linked to sports betting. Similarly, this study confirms the conclusions of A. Andarge (2021) identified a strong correlation between gambling activities and adverse social outcomes. Furthermore, these findings reinforce the well-established link between increased gambling expenditure and rising crime rates, a relationship consistently emphasised by scholars including E.L. Grinolsa & D.B. Mustard (2021). Youth vulnerability – a central concern of this research – is in line with the observations of W. Girma (2023), whose study in Hawassa City highlighted the psychosocial risks facing young adults involved in sports betting. Additionally, in line with research into the psychosocial and economic consequences of gambling among youth and adults in Bahir Dar City, this study identifies the rise of virtual betting as a major contributor to the harmful impacts on young people.

However, this research differs from previous studies in several important respects. Firstly, it provides a more comprehensive and critical analysis of the existing legal framework governing sports betting in Ethiopia. While previous studies, such as that by E. Wodaj (2024), have explored aspects of the national directives, this Article delves more deeply into the legal intricacies and incorporates a comparative international perspective, drawing lessons from the regulatory approaches of countries such as Qatar and the UK. Secondly, this study places a much greater emphasis on the regulation of advertising, a factor that, while mentioned in other studies, has not been consistently prioritised. Furthermore, this research differs from the study by A. Haji *et al.* (2022), who, despite assessing the effects of betting on youth, fails to address the relationship between gambling and criminal activity. He does not explore how increased participation in betting can lead to a greater propensity for criminal behaviour. By contrast, this study, drawing from international experience and practical observations, finds that gambling significantly increases the likelihood of criminal involvement. In addition, although previous research by M.G. Yitbarek & K.K. Getahun (2019) examined strategies for reducing the prevalence of sports betting, they did not consider banning sports betting advertisements as a means to curb participation in the industry. This study highlights that advertising prohibition is a critical and underutilised strategy in reducing gambling engagement in Ethiopia. Further, previous studies by W. Girma (2023) addressed the effects of sports betting but did not advocate for a total ban, which differentiates this study significantly from many prior investigations in the field. These findings underscore the detrimental

<sup>1</sup> Advertisement Proclamation of the Federal Democratic Republic of Ethiopia No. 759/2012. (2012, August). Retrieved from <https://chilot.wordpress.com/wp-content/uploads/2012/09/advertisement-proclamation.pdf>.

<sup>2</sup> Sports-Betting Lottery Directive of the Federal Democratic Republic of Ethiopia No. 172/2021. (2021, June). Retrieved from <https://cms.law/en/int/expert-guides/cms-expert-guide-to-gambling-laws-in-africa/ethiopia>.

<sup>3</sup> *Ibidem*, 2021.

<sup>4</sup> Re-establishment Proclamation of the National Lottery Administration of the Federal Democratic Republic of Ethiopia No. 535/2007. (2007, July). Retrieved from <https://www.scribd.com/document/657246627/Proc-No-535-National-Lottery-Administration>.

impact of pervasive advertising on youth, advocating for stricter regulatory measures. Furthermore, this research openly acknowledges the limitations arising from the lack of recent data – a challenge frequently encountered in Ethiopian scholarship. Unlike earlier studies that may rely on outdated datasets, this study explicitly highlights the urgent need for contemporary data to support evidence-based policymaking. This transparency regarding data constraints distinguishes the present study, underlining the necessity of continuous data collection for accurate and timely analysis.

## Conclusions

This study aimed to critically analyse the existing legal framework for sports betting in Ethiopia and to propose more stringent regulations – or even a complete ban – to mitigate its harmful effects, especially on youth. This objective was achieved through an examination of relevant Ethiopian proclamations and directives, a comprehensive literature review, and insights drawn from international comparative analyses. The study employed a normative legal research methodology, which included critical analysis of Ethiopian legal instruments such as the National Lottery Administration Re-establishment Proclamation No. 535/2007 and the Sports-Betting Lottery Directive No. 172/2021. This was supported by a detailed literature review on the social and economic impacts of sports betting, as well as a comparative analysis with countries such as Qatar and the UK. Practical observations further illuminated the real-world implications within Ethiopia. The findings consistently revealed that the current regulatory focus on revenue generation fails to adequately address major social harms. A strong correlation was identified between increased betting activities and rising crime rates, family instability, and mental health issues. The research highlighted the particular vulnerability of youth, worsened by extensive advertising and unrestricted online access. Critical gaps in the legal framework were exposed, including the lack of regulation over advertising, insufficient penalties, and the failure to mandate disclosure of betting funds' sources, which undermines efforts to prevent money laundering.

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The findings significantly deepen understanding of the complex relationship between sports betting and societal well-being in Ethiopia. By critically assessing the legal framework, the study pinpointed specific legislative shortcomings that enable gambling-related harm, particularly among youth. The explicit correlation between betting and adverse outcomes – such as crime and familial discord – provides compelling evidence for policy reform. Moreover, the comparative analysis of international models offers tangible recommendations for harm reduction in Ethiopia. The emphasis placed on unregulated advertising and weak financial crime controls – issues often overlooked in earlier studies – broadens the discourse around key intervention points. This study strongly advocates a shift in regulatory priorities: away from economic gain and towards safeguarding youth and promoting social welfare.

One major limitation of this study was the scarcity of current statistical data on the prevalence and consequences of sports betting in Ethiopia. As a result, greater reliance was placed on qualitative observations and findings from comparable settings.

Future research should prioritise the quantification of the economic and social costs of gambling-related harms in Ethiopia through rigorous empirical data collection. Further studies should also assess the effectiveness of specific harm reduction interventions tailored to the Ethiopian context – such as mandatory mental health screenings and robust age verification procedures.

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## Conflict of Interest

None.

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# Регулювання та зниження ризиків, пов'язаних зі ставками на молодіжні спортивні змагання, в Ефіопії

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### Анотація

Стрімке поширення спортивних ставок в Ефіопії є серйозною проблемою, яка актуалізує необхідність ужиття регуляторних заходів для подолання їхнього шкідливого впливу, передусім на молодь. Основною метою дослідження було проаналізувати причинно-наслідкові зв'язки й посередницькі фактори між рівнем злочинності, сімейними конфліктами та проблемами психічного здоров'я, пов'язаними з азартними іграми, а також рекомендувати оптимальний спосіб обмеження їхнього впливу. На підставі використання нормативної методології правового дослідження в роботі критично проаналізовано правову базу Ефіопії, зокрема Прокламацію про відновлення Національної лотереї № 535/2007 та Директиву про спортивні ставки та лотереї № 172/2021. Аналіз доповнено всебічним оглядом літератури, порівняльних досліджень міжнародних регуляторних моделей (зокрема Великої Британії) та практичними спостереженнями в контексті реалій Ефіопії. Результати засвідчили, що нинішній регуляторний фокус на генеруванні доходів неадекватно розв'язує проблему глибокої соціальної шкоди. Дослідження встановило чітку кореляцію між підвищенням активності ставок і зростанням рівня злочинності, а також значним негативним впливом на стабільність сім'ї та психічне здоров'я. Вразливість молоді, що посилюється поширеною рекламою та доступністю в інтернеті, є центральною проблемою. Виявлено критичні прогалини в правовій базі, серед яких – нерегульована реклама та не відповідні ступеню суспільної небезпечності покарання. Важливо, що чинне законодавство не запобігає відмиванню грошей, вимагаючи підтвердження джерела коштів, а також не регулює рекламу. Практичне значення цього дослідження полягає в його потенціалі для інформування про необхідність негайних реформ політики. Ключові рекомендації охопили суворі вимоги до ліцензування, обов'язкове висвітлення негативного впливу ставок, повну заборону реклами, обов'язкове розкриття джерела грошей від гравців, перевірку психічного здоров'я учасників, зниження максимальних лімітів виплат і детальні покарання за порушення, а також створення спеціальної комісії з азартних ігор за зразком британської моделі. Це дослідження засвідчує нагальну необхідність надати пріоритет захисту молоді та соціального добробуту над короткостроковими економічними вигодами

### Ключові слова:

регулювання спортивних ставок; уразливість молоді; злочинність; азартні ігри; заборона реклами; правова реформа