



## Online Gambling and Economic Crisis: Safeguarding National Stability through Islamic Economics

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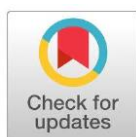
### ABSTRACT

**Purpose:** This study aims to analyze the behavior of the online gambling phenomenon that disrupts the stability of the national economy.

**Design/Method/Approach:** The research adopts a qualitative, phenomenological approach to the phenomenology of online gambling behavior. Data were collected through in-depth interviews with victims affected by online gambling, as well as document analysis from relevant sources. Semi-structured interviews were conducted to understand personal experiences, perceptions, and the impact of online gambling behavior on victims' lives. The stages in this research include understanding the data, developing codes, and ultimately identifying themes. Data analysis was carried out using thematic analysis in NVivo 12 to identify patterns and themes in the collected data.

**Findings:** This study reveals that online gambling behavior has disrupted and damaged the foundations of the economic system. In the long run, such practices undermine Indonesia's financial stability and contradict the principles of Islamic economics, which emphasize justice, sustainability, and the prevention of harm (mafsadah) to society.

**Originality/Values:** Online gambling has become a serious problem in Indonesia. This issue is reinforced by the wave of digitalization, which has made it easier for the public to access online gambling. The rise of online gambling problems causes Indonesia's economy to continually face issues such as poverty, wage inequality, and low productivity, which can generate a multiplier effect on other sectors.



## INTRODUCTION

The development and progress of information and communication technology have created a new phenomenon known as online gambling. This new and uncontrollable aspect has become international, and low was a result; even though all forms of real gambling are prohibited in this country, the legal but unauthorized gaming sites have always been an appealing source for different parts of society.

This paper aims to investigate the phenomenon of online gambling during the Indonesian economic crisis, analyze its impacts on the country and its people, and demonstrate that this question warrants attention. As a rule, financial crises and unstable economic conditions prompt people to seek alternative ways to survive. In that context, online gambling is perceived as an instantaneous means of getting profit from the investment. However, it has lethal effects on both family economics and the individual.

Muhamad presents the research report on data analysis from the Financial Transaction Reports and Analysis Center and states that between 2017 and 2022, there were approximately 157 million online gambling transactions in Indonesia, with a total turnover of IDR 190 trillion.<sup>1</sup> The cash flow is associated with online gambling activities such as betting money, paying winning money, operating costs, moving money between gambling networks, and money transfer that could be illegal as part of money laundering and crime financing, etc.

Most of the online gambling users are Indonesian citizens, WNI, who work as heads of households, and currently, it has also begun targeting students who are still in school.<sup>2</sup> Every year, the number and value of gambling transactions are still increasing. Dependence on online gambling has negatively impacted an individual, not only causing financial troubles but also affecting their social prominence, such as rising debt levels, family disputes, and decreasing work productivity. In a macro sense, high participation in online gambling can reduce people's purchasing power, decrease domestic consumption, and disrupt economic growth, adding to the state's responsibility for addressing the resulting social and financial issues. Thus, the research investigates the impact of online gambling on the national economy during an economic crisis.

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<sup>1</sup> Nabilah Muhamad, "Tren Judi Online Di Indonesia Terus Meningkat, Nilainya Tembus Rp100 T Pada 2022," Databoks, 2023.

<sup>2</sup> Felldy Utama, "PPATK Sebut Perputaran Uang Judi Online Di Tahun 2022 Capai Rp81 Triliun," Okezone News, 2023.

**Table 1.** The Volume and Value of Online Gambling Transactions in Indonesia

Year	Volume of Transactions	Value of Transactions
2017	250.726	2.009.676.571.607
2018	666.104	3.975.512.890.359
2019	1.845.832	6.183.134.907.079
2020	5.634.499	15.768.525.166.418
2021	43.597.112	57.910.725.296.081
2022	104.791.427	104.417.674.955.287
2023	168.000.000	327.000.000.000.000

**Source:** Financial Transaction Reports and Analysis Center (PPATK)

As observed in Table 1, the number of transactions and value have increased exponentially over the years, with the imposition of an economic curfew in 2020, implying a greater risk to national financial stability. The trend is likely to increase as more people are likely to take an alternative source of income, including online gambling. The online gambling trend and magnitude imply that the phenomenon is growing too fast and, if not urgently addressed, may pose further risk to weakening national economies.

This study explores the dynamics of online gambling behavior amid the ongoing economic crisis, given the national economy's stability. It also delves into the financial, social, and economic implications and how policymakers and regulators play a crucial role in mitigating the adverse effects of online gambling on national economic stability during crises.

## LITERATURE REVIEW

Poerwadarminta stated in the Great Dictionary of the Indonesian Language that gambling was a game in which betting was done using money (Poerwadarminta, 1995). On the other hand, according to Article 303, paragraph 3 of the Indonesian Criminal Code (KUHP), gambling is a game in which the probability of winning is generally based on luck and chance. Another meaning is a bet placed on the outcome of a game or contest not organized or rigged by those involved, and all other games of like nature.

Online gambling refers to betting or gaming conducted on the internet using digital devices such as computers, smartphones, or tablets.<sup>3</sup> This form of

<sup>3</sup> Natacha Carragher et al., "Brief Overview of the WHO Collaborative Project on the Development of New International Screening and Diagnostic Instruments for Gaming Disorder

sport allows gamers to wager on a wide range of games and activities, including casino gaming, sports betting, poker, bingo, and lotteries, without being physically present at a regulated gaming venue. Online gambling is a form of betting that is broadly accessible to gamers from practically anywhere in the globe 24 hours a day, seven days a week. Games and betting are, in most cases, regulated by software, usually a Random Number Generator, to ensure randomness and fairness.<sup>4</sup>

From the explanation above, it can be concluded that online gambling is a medium-risk game governed by a set of rules and conducted by gamblers themselves through electronic media, with the internet network acting as an intermediary. Online gambling also has high accessibility and anonymity, which in turn can enhance the impact of the adverse effects of online gambling on society and the economy.<sup>5</sup>

Several studies about online gambling show that online gambling is dissimilar to traditional gambling, as online gambling is easier to access, more or less anonymous, and available 24/7, making it safer for online gamblers<sup>6</sup>. Users can play various types of games at any time and from any place with an internet connection, leading to more frequent and intense play.<sup>7</sup>

It is also worth noting that online gambling is often associated with being part of virtual communities that discuss experiences, describe specific strategies, and give tips that can be related to the topic. Just as the people in the communities for pathological gambling in online gambling activities outside of them have a non-neutral role, it is not self-evident that they unilaterally support

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and Gambling Disorder,” *Addiction* 117, no. 7 (July 2022): 2119–21, <https://doi.org/10.1111/add.15780>.

<sup>4</sup> Mark Griffiths, “Internet Gambling: Issues, Concerns, and Recommendations,” *CyberPsychology & Behavior* 6, no. 6 (2003): 557–68, <https://doi.org/10.1089/109493103322725333>.

<sup>5</sup> Brett Abarbanel and Mark R Johnson, “Gambling Engagement Mechanisms in Twitch Live Streaming,” *International Gambling Studies* 20, no. 3 (2020): 393–413, <https://doi.org/10.1080/14459795.2020.1766097>.

<sup>6</sup> Sally M. Gainsbury et al., “How the Internet Is Changing Gambling: Findings from an Australian Prevalence Survey,” *Journal of Gambling Studies* 31, no. 1 (March 2015): 1–15, <https://doi.org/10.1007/s10899-013-9404-7>.

<sup>7</sup> Xin Wang, Doyeon Won, and Hyung Sang Jeon, “Predictors of Sports Gambling among College Students: The Role of the Theory of Planned Behavior and Problem Gambling Severity,” *International Journal of Environmental Research and Public Health* 18, no. 4 (February 2021): 1803, <https://doi.org/10.3390/ijerph18041803>.

gambling behavior.<sup>8</sup> These communities can reinforce the belief that gambling is a social norm activity, which intensifies behavior.<sup>9</sup>

There are other scientific findings that, despite the numerous risks associated with online gambling, in addition to the existence of risky factors, protective factors can be identified. In addition to solutions such as mandatory self-exclusion programs, self-management software enables people to monitor and regulate their behavior more effectively. In many cases, spending opportunities activate behavior based on principles of restriction and insufficient treatment of humans. As early as 2021, the article argued that as a result of the activity, players want more gaming opportunities and spend more money, time, and effort on gambling. The extent of the increase was, of course, conditional.<sup>10</sup>

Thus, according to Badji, Nicole, and David in 2023, gambling stability can also include a person's income and spending.<sup>11</sup> Then the article proves that even income and expenditure are deteriorating due to online gambling behavior. People involved in online gambling are forced to earn less and manage just as much. Smith and Johnson conducted another study on the impact of online gambling on the macroeconomy and showed the following: "Overall, the evidence points to the online gambling sector's rapid growth; however, its net impacts on a country's macroeconomy remained unclear. Online gambling could allow for the collection of state revenues through taxation efficiencies, but it also created a significant social and economic burden — directly related to healthcare cost associated with addiction and to the loss of work productivity."<sup>12</sup>

Another research by Månsson investigated longitudinal changes in the behavioral pattern of online gambling dependence. The results of the study showed that the pandemic led to an increase in online gambling behavior due to

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<sup>8</sup> Iina Savolainen et al., "Online Communities and Gambling Behaviors — a Systematic Review," *Current Addiction Reports* 9, no. 4 (July 2022): 400–409, <https://doi.org/10.1007/s40429-022-00430-x>.

<sup>9</sup> Á García-Pérez, A Krotter, and G Aonso-Diego, "The Impact of Gambling Advertising and Marketing on Online Gambling Behavior," *Public Health* 234 (2024): 170–77, <https://doi.org/10.1016/j.puhe.2024.06.025>.

<sup>10</sup> Nicki A. Dowling et al., "Problem Gambling and Family Violence: Factors Associated With Family Violence Victimization and Perpetration in Treatment-Seeking Gamblers," *Journal of Interpersonal Violence* 36, no. 15–16 (August 2021): 7645–69, <https://doi.org/10.1177/0886260519835877>.

<sup>11</sup> Samia Badji, Nicole Black, and David W. Johnston, "Economic, Health and Behavioural Consequences of Greater Gambling Availability," *Economic Modelling* 123 (June 2023): 106285, <https://doi.org/10.1016/j.econmod.2023.106285>.

<sup>12</sup> Jennifer Reynolds et al., "Responsible Gambling: A Scoping Review," *Critical Gambling Studies* 1, no. 1 (2020): 23–39, <https://doi.org/10.29173/cgs42>.

social constraints, combined with the closing of offline gambling establishments.<sup>13</sup> The research also showed increased problems of gambling addiction and their impact on persons' economic condition.

Research on The Impact of Online Gambling on the Socio-Economic Life of Society, conducted by Lailan Rafiqah and Harunur Rasyid, provides evidence that online gambling shifts social and religious values and results in social problems. Economically, online gambling is a loss that weakens family economic resistance, especially for household victims of online gambling perpetrators.<sup>14</sup>

The study by Ageng and Angga, titled The Dangers of Online Gambling: Social, Economic, and Health Impact, provides credible evidence, and the social aspect experienced by online gambling players is damaged social relationships, social isolation, and increased crime rates. From an economic perspective, gamblers often fall into debt, and their financial and family conditions are affected. The health impacts are gambling addiction, stress, and damage to physical health.<sup>15</sup>

Reza Ditya Kesuma identifies some of the most challenging issues on Law Enforcement of Online Gambling in Indonesia: Challenges and Solutions. Online gambling poses specific challenges that Indonesia's regulatory and oversight bodies have yet to address fully. By dismissing the gambling activities of particular agencies and the challenges of enforcing laws without appropriate justification, Dr. Kesuma illustrates the need to improve both generic and specialized enforcement mechanisms. The advance of the Internet has also shifted gambling activities to a more challenging landscape that has rendered most of the enforcement activities ineffective. Collaboration between gambling enforcement agencies and other parts of the state apparatus, especially the Ministry of Communication and Information Technology, should be prioritized to address the challenges of Internet gambling.

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<sup>13</sup> Viktor Månsson et al., "A Longitudinal Study of Gambling Behaviors During the COVID-19 Pandemic in Sweden," *Frontiers in Psychology* 12 (October 2021), <https://doi.org/10.3389/fpsyg.2021.708037>.

<sup>14</sup> Lailan Rafiqah and Harunur Rasyid, "The Dampak Judi Online Terhadap Kehidupan Sosial Ekonomi Masyarakat," *Al-Mutharahab: Jurnal Penelitian Dan Kajian Sosial Keagamaan* 20, no. 2 (December 2023): 282–90, <https://doi.org/10.46781/al-mutharahab.v20i2.763>.

<sup>15</sup> Angga Nurdiansyah and Ageng Saepudin Kanda, "Bahaya Judi Online: Dampak Sosial, Ekonomi, Dan Kesehatan," *Student Scientific Creativity Journal* 2, no. 1 (2024): 305–10, <https://doi.org/10.55606/sscj-amik.v2i1.2807>.

oversight bodies have yet to address fully. By dismissing the gambling activities of particular agencies and the challenges of enforcing laws without appropriate justification, Dr. Kesuma highlights the need to improve the generic and specialized enforcement mechanisms. The advance of the Internet has also shifted gambling activities to a more challenging landscape that has rendered most of the enforcement activities ineffective. Collaboration between gambling enforcement agencies and other parts of the state apparatus, especially the Ministry of Communication and Information Technology, should be prioritized to address the challenges of Internet gambling.

The bottom line in addressing these challenges involves working with multiple constituents, including the wider community. The unique role of youth and students as change agents is recognized, with educational strategies prioritized to prepare these young future leaders to address changing social landscapes<sup>16</sup>.

## RESEARCH METHOD

This study takes a qualitatively oriented phenomenological perspective, examining online gambling and its implications for Indonesia's national economic stability, focusing on the experiences, financial realities, and socio-demographic realities of the people involved. The adoption of a phenomenological design is justified by the need to capture the essence of participants' realities, particularly the economic and emotional pain and the social ramifications of gambling.<sup>17</sup> In this regard, behavioral gambling can reveal the non-behavioral, moral, and structural gambling issues.

The predominant method of data gathering consisted of semi-structured interviews with five informants who qualified based on having suffered substantial negative financial, social, and psychological consequences attributed to gambling online. Informants were selected using a snowball technique, which relies on initial contacts within online and community networks. It was in networks dedicated to sharing the lived experiences of online gambling where initial contacts were located. Each participant could nominate others who met the selection criterion. Inclusion was based on the following criteria: (1) Individuals between the ages of 17 and 45; (2) Active or past online gamblers who suffered financial loss; (3) Individuals who are willing to participate in a dialogue on their experiences; and (4) Individuals who are reachable for

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<sup>16</sup> Reza Ditya Kesuma, "Penegakan Hukum Perjudian Online Di Indonesia: Tantangan Dan Solusi," *Jurnal Exact: Journal Of Excellent Academic Community* 1, no. 1 (2023).

<sup>17</sup> Alexander Oluka, "Phenomenological Research Strategy: Descriptive and Interpretive Approaches," *F1000Research* 14 (July 2025): 725, <https://doi.org/10.12688/f1000research.166273.1>.



communication. The aims of the study were communicated to all respondents, and their consent was secured, along with the confidentiality of their identities, in accordance with the study's ethics.

To establish the credibility and validity of the findings, this research incorporated triangulation of multiple methods and sources of data: (1) interview transcripts, (2) government documents, particularly those of the Financial Transactions Reports and Analyses Center (PPATK) in charge of monitoring gambling transactions, and (3) online media and previous research studies. Furthermore, the participants were asked to confirm the findings so that accuracy statements could be verified, and peer debriefing was used to interrogate the developing ideas.<sup>18</sup> These actions addressed the corroborative and confirmatory aspects of the research inquiry.

Data analysis was thematic and conducted using NVivo 12. The sequential stages of analysis were data comprehension, initial coding, and the construction of subthemes and main themes. To capture dominant ideas and the relationship constructs within the data, NVivo's word frequency and cluster analysis were cited as primary tools.<sup>19</sup> These themes were applied to contextualize how online gambling economically and socially fragmented micro- and macro-structures.

The foundation for the analysis remained Islamic economics, specifically *maqāṣid al-sharī'ah* and the preservation of wealth (*ḥifẓ al-māl*), intellect (*ḥifẓ al-'aql*), and the sanctity of the self and honor (*ḥifẓ al-nafs wa al-'ird*)<sup>20</sup>. This synthesis made it possible to apply an ethical and moral interpretation to the findings, where the individual narratives were situated within the overarching Islamic principles of economic justice and social welfare. This study, by merging phenomenological perspectives with Islamic economics, articulates a complete picture of the repercussions of online gambling and the economically justified recommendations for addressing it within the framework of public policy and economic recovery.

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<sup>18</sup> Sirwan Khalid Ahmed, "The Pillars of Trustworthiness in Qualitative Research," *Journal of Medicine, Surgery, and Public Health* 2 (April 2024): 100051, <https://doi.org/10.1016/j.glmedi.2024.100051>.

<sup>19</sup> Kerry Dhakal, "NVivo: Software for Qualitative Data Analysis," *Journal of the Medical Library Association* 110, no. 2 (April 2022), <https://doi.org/10.5195/jmla.2022.1271>.

<sup>20</sup> Tawfiek A. S. Mohammed, "A Scientometric Study of Maqasid Al-Shariah Research: Trending Issues, Hotspot Research, and Co-Citation Analysis," *Frontiers in Research Metrics and Analytics* 9 (November 2024), <https://doi.org/10.3389/frma.2024.1439407>.



## RESULT AND DISCUSSION

Two primary sources of evidence inform this study: semi-structured interviews with stakeholders in the online gambling industry and corroborating evidence from national reports and the media. Based on the study's objectives and the various levels of participation in online gambling and its harms—financial, social, and psychological—ten participants were purposefully selected. The participants, aged 17 to 45, held various jobs as students, employees, and small business owners. They were all of similar digital literacy and consistently used the internet, which facilitated online access.

NVivo-supported thematic analysis recognized four prominent patterns of impact. Financial instability was reported as the most severe impact. Respondents mentioned considerable monetary losses, the accumulation of debts, and a decrease in savings. Respondents reported gambling debts in the millions of rupiah, liquidation of savings, and borrowing from the informal sector. Respondents also reported severe disruptions to family relationships, including intensified gambling behaviors resulting in frequent arguments, silences, and separations. Respondents commonly reported a lack of focus, diminished work productivity, and absenteeism, and these patterns also extended to school and work performance. Respondents consistently reported the presence of anxiety, stress, and depression, indicating the impact of online gambling on the individual and the family.

Secondary data also confirmed these findings. Specifically, between 2021 and 2023, Indonesia's Financial Transaction Reports and Analysis Center (PPATK) documented a considerable increase in the volume of transactions and the value of online gambling activity, with both rising by 150%. Additional support came from the analyses carried out by the national media and the government, which documented the concurrent increases in gambling-related crimes and household financial distress. Similar studies conducted in other Southeast Asian countries offered comparable insights, showing that digital gambling platforms targeted and worsened the economic imbalances of lower- and middle-income households.

From the available primary and secondary data, the evidence suggests that online gambling poses unique and unprecedented problems of household macroeconomic instability, productivity losses, and mental health, which are bottom-line socio-economic problems. While mostly descriptive in nature, these findings are essential for the following discussion, in which these patterns will be linked to Islamic economics, particularly the fundamental principles of *maqasid-al-shariah* and the wealth-preserving *hifz al-mal*, to provide a framework for the economic implications of online gambling.



Source: NVIVO, author's data analysis, 2024

**Figure 1.** Word Frequency Visualization from NVivo Analysis on Online Gambling Victims' Narratives

The WordCloud visualization in Figure 1 was produced using NVivo's word-frequency analysis of the interview transcripts. This visualization captures the most common words concerning the participants' experiences with online gambling. The most prominent terms— “judi” (gambling), “online”, “uang” (money), “dampak” (impact), “keuangan” (finance), and “hutang” (debt), and “judi” (gambling)—also signify that most narratives centered on financial gambling.

The mentions of “uang” and “hutang” indicate that monetary losses and the accrual of debt are the most devastating outcomes victims face, highlighting the magnitude of online gambling and its impacts on a person and a household. The adverse effects of online gambling are not isolated and personal. The words “keluarga” (family) and “teman” (friends) center on social relations and the emotional adverse impacts of online gambling. “masalah” (problem) and “butuh” (need) suggest that the impacted population recognizes the online gambling issue. The inclusion of these terms demonstrates the reality surrounding the issue and the need for immediate action.

The data reflected in this WordCloud visualization captures the initial signal of the broader socio-economic impact of online gambling. Respondents assess the issue of gambling not just in financial terms, but also as behavioral and socially destructive problems at the individual and macroeconomic levels. Thus, the visualization provides empirical content for the initial discussion of the economic, social, and financial impacts of online gambling.



rather a structural issue involving economic desperation, high digital accessibility, and poor enforcement of regulations.

The qualitative evidence from the interviews is bolstered by Figure 2, which demonstrates the cyclical relationship between financial hardship, addiction, and the disintegration of families. This underscores the importance of addressing multiple dimensions of a problem, which, in this case, includes economic regulation, mental health, and social activation, the details of which will be presented in the discussion.

### **The Impact of Online Gambling on National Economic Stability in the Context of the Global Economic Crisis**

The results of this study show that online gambling negatively impacts Indonesia's economic stability, which is problematic during a global financial crisis. This research conducted five semi-structured interviews, identified through snowball sampling, capturing lived experiences that illustrate how gambling phenomena transform into micro-level economic distress and macro-level instability.

From a phenomenological approach, the narratives focus on the damaging predicament of financial interdependency and emotional depletion. These experiences illustrate how individual-level weaknesses translate into collective economic harm. For example, online gambling losses and the resulting economic distress would negatively affect a household's consumption, savings, and liquidity, which would be passed along to the domestic economy and redirected toward foreign gambling platforms. This effectively contributes to the economy's capital outflow, which harms its foreign capital reserves and deepens the balance of payments deficit.

The Islamic economic analytical framework provides a foundational ethical perspective through *maqāsid al-sharī'ah*. Online gambling contradicts the objective of *ḥifẓ al-māl* (protection of wealth). Such gambling erodes individual and national wealth through wasteful spending (*tabdhīr*). Participants' testimonies indicate deterioration of their moral and financial condition, leaving them unable to meet particular family and social obligations and, in so doing, undermining the economic stewardship pushed in Islam.

Also, the psychological effects reported by the respondents, including addiction, anxiety, and decision-making paralysis, illustrate the impact on *ḥifẓ al-'aql* (protection of intellect). Such effects inhibit workplace productivity and, consequently, labor efficiency, which, in turn, contributes to rising unemployment and the overall productive sector of the economy becoming weaker. The psychological and intellectual effects manifest in reduced GDP

growth, increased social welfare spending, and absenteeism and job loss, thereby becoming significant economic burdens.

On the other hand, the negative impact on *ḥifẓ al-nafs wa al-'ird* (protection of life and dignity) is evident in the breakdown of social relationships and in desperation- and debt-related crimes. Such phenomena signal individual moral disintegration and, on a larger scale, weakened social cohesion, which is foundational to economic resilience. The study highlights the role of lax regulatory enforcement and borderless digital operations in accelerating the problem of unmonitored illicit fund flows into illegal gambling, resulting in lost trust in the gambling and broader financial systems. This situation underscores the issue of non-performing loans from gambling borrowers and systemic financial instability, particularly in a developing country vulnerable to global economic shocks.

From the perspective of *maqāṣid al-sharī'ah*, the moral and infrastructural importance of the economic fundamentals of the nation requires attention. In the principle of *ḥifẓ al-māl*, policies must go beyond the mere legal prohibition against harm and incorporate sophisticated, integrated financial education, coupled with advanced digital monitoring systems. The *ḥifẓ al-'aql* consideration must similarly include public education and primary mental health care services to alleviate addictive tendencies. Comprehensive safeguarding of *ḥifẓ al-nafs wa al-'ird* will equally focus on community social rehabilitation of the distressed and their productive inclusion in the economic fabric of society.

The interconnectedness between online gambling and macroeconomic turmoil, as illustrated by comparative accounts from other jurisdictions, underscores the importance of viewing the problem in a global context. In the sphere of Islamic economics, however, the problem has added moral issues. Therefore, the justification for including Islamic moral governance alongside regulatory reform to recover distressed economies and ensure equality, dignity, and social health is compelling. On closing, this study has added to the literature on the multidimensional harms of online gambling by offering phenomenological insights, coupled with the *maqāṣid al-sharī'ah* perspective. The study justifies the need for policies to mitigate the destabilizing economic effects of online gambling on the national and global economies, grounded in moral economics to build financial resilience.

Findings from this study amplify the call for an integrated policy response to the economic and social challenges posed by online gambling and the unequal distribution of its profits in Indonesia. Based on the *maqāṣid al-sharī'ah*, particularly the dimensions of *ḥifẓ al-māl*, *ḥifẓ al-'aql*, and *ḥifẓ al-nafs wa al-'ird*, it is apparent that the policy response requires a broader perspective beyond

the economic rationale by incorporating the ethical, social, and moral dimensions. Illegal online gambling platforms facilitate capital flight and require the enforcement of more robust regulatory frameworks and advanced digital surveillance. For real-time detection and interdiction of nefarious financial flows, a proactive, coordinated scheme among the Ministry of Communication, financial sector regulators, and law enforcement is needed. This will, in particular, fulfill *ḥifẓ al-māl* by economically safeguarding the nation's public wealth and preserving its economic sovereignty from predatory capital outflows.

Limited financial education and impulsive behavior documented in gambling studies point to possible gambling participation motivators. To address the gap, promoting financial education and behavior-modifying social marketing, driven by Integrated Islamic social values, can be advocated. The Islamic concepts of *i'tidāl*, moderation, and responsible financial decision-making to strengthen 'aql mental health layers of *ḥifẓ al-'aql*, along with rational-ethical consumption and determining household financial resilience, can be practiced in social marketing. The psychological and social harm experienced by gambling victims needs the help of the community, the locus of dignity-restoring and social reintegration rehabilitation programs. Active collaboration among Islamic bodies, community mosques, and social welfare programs will facilitate the social dimension of *ḥifẓ al-naḥs wa al-'ird*, addressing social cohesion and the stigma associated with gambling. The cohesion and stigma can be the root of the isolation of the gambling victim.

Building systemic economic resilience requires collaboration among financial and digital service providers, as well as certifying and progeny service religious bodies. Including Islamic financial ethics fully realized in Islam, Integrated social values will shrink financial speculation and promote constructive/ethical Islamic economic behavior, thus, social Islamic economic integration and development. The experiences of countries like Malaysia, Singapore, and the UK highlighted the importance of effective, integrated digital oversight of gambling-related regulations to manage associated macroeconomic risks.

Incorporating practices from other countries while considering Indonesia's Islamic ethics can help solidify Indonesia's position as a model for Islamic economic governance. Indonesia will have the opportunity to showcase how economic digitalisation can be balanced with technological innovations, responsibly, while advancing social justice. Policy intervention research builds on these findings, particularly regarding how Islamic moral governance policies may be applied in practice and coupled with fintech innovations. The intersection of digital ethics, Islamic-compliant investment policies, and

community economic recovery initiatives may be the first steps toward providing evidence of plausible pathways to increasing economic resilience to online gambling. This will decrease economically vulnerable gambling.

### **Social Profile and Its Impact on Individuals Affected by Online Gambling**

The impact of online gambling on individuals occurs at the social and psychological levels. The presence of gambling addiction, financial distress, and unmet needs showcases the disruption gambling poses to personal and social equilibrium. The constant availability and anonymity of online gambling make addiction highly probable and contribute to severe financial and social distress.<sup>21</sup> The lure of quick cash initiates a cycle of dependency that cascades into severe emotional and financial distress. This cycle of distress is further compounded by the emotional, social, and psychological challenges that accompany the financial problems gambling generates.<sup>22</sup> Found that this financial hardship further amplifies social and emotional struggles, trapping individuals in cycles of distress.

The presence of social and individual psychological resources remains central to modifying these impacts. Family and community support mitigate the possible negative consequences of gambling addiction.<sup>23</sup> Further, community support and family concentric social networks have been shown to reduce gambling harm significantly.

Delfabbro highlighted how the psychological impact of gambling addiction overlaps with other mental health problems. Stress, anxiety, and depression are common problems among gamblers, and these issues affect social life and relationships. Marionneau describes how individuals change from being casual participants to engaging in problematic gambling and how this incrementally entraps individuals in acts of gambling, resulting in a negative spiral of debt, losses, and emotional strain.<sup>24</sup> The problem is only exacerbated by the prevalence of digital devices. Stevens observed that the accessibility offered by online gambling applications amplifies gambling addiction, particularly

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<sup>21</sup> Nerilee Hing et al., "Self-Regulatory Strategies Reduce Gambling Spend and Harm in a Randomised Controlled Trial of Electronic Gaming Machine Players," *International Journal of Mental Health and Addiction*, May 2024, <https://doi.org/10.1007/s11469-024-01308-x>.

<sup>22</sup> Dowling et al., "Problem Gambling and Family Violence: Factors Associated With Family Violence Victimization and Perpetration in Treatment-Seeking Gamblers."

<sup>23</sup> Gainsbury et al., "How the Internet Is Changing Gambling: Findings from an Australian Prevalence Survey."

<sup>24</sup> Virve Marionneau, Heidi Ruohio, and Nina Karlsson, "Gambling Harm Prevention and Harm Reduction in Online Environments: A Call for Action," *Harm Reduction Journal* 20, no. 1 (July 2023): 92, <https://doi.org/10.1186/s12954-023-00828-4>.



among at-risk individuals, highlighting the urgency of initiatives to protect public health<sup>25</sup>.

Analysis of the interviews for this study showed that those impacted by online gambling come from different social settings, although they do seem to follow the same vulnerable pathways. Most of the interviewees began gambling for fun or to ease some financial pressure. However, being relentlessly exposed to online gambling turned these activities into compulsive behaviors that profoundly altered their everyday and social lives. Participants experienced severe declines in the quality of their relationships and their sense of community, which in turn, exacerbated their isolation.

In the NVivo analysis, one recurring theme was the breakdown of social trust. Informants noted that the families of gambling victims often experience internal strife due to gambling losses and subsequent implications of secrecy and emotional distancing. Relationships with spouses and close relatives were described as battered under the weight of gambling debts, leading to deterioration of once close social relations. This corroborates Binde's (2020) arguments that gambling not only destroys the life of the gambler but also remorselessly alters the socio-moral environment of those closest to them and the lives of those closest to the gambler.

Stigmatization and social marginalization of the gambler and members of the gambler's family are also critical dimensions of the deteriorating environment. As described by the informants, social collapse due to gambling losses is often accompanied by a collapse of social relations in which the individual is labeled as irresponsible and morally weak, leading to social exclusion. This exclusion, frequently deeply entrenched in socio-economic conditions, leads to a vicious cycle of unrecovery. In seeking to rehabilitate exposed victims, social supports are usually lacking in the community, leading to spiraling socio-economic dysfunction.

Digital accessibility, together with peer influence, was another problem factor. For former gamblers, the availability of gambling apps on mobile phones, advertisements, and social media influencers marketing gambling products certainly triggered relapses. Digital stimuli encourage gambling behavior by the availability of entertainment; there is little to no difference made between games and gambling. One informant said, "Once you win a little, the system keeps you wanting more, it's like a loop you can't get out of."

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<sup>25</sup> Matthew WR Stevens et al., "Global Prevalence of Gaming Disorder: A Systematic Review and Meta-Analysis," *Australian & New Zealand Journal of Psychiatry* 57, no. 6 (June 2023): 928–928, <https://doi.org/10.1177/00048674221137011>.

The socio-economic effects are also far-reaching—some of those affected also described job loss, increased debt, and poor work performance and productivity. The problem also involves informal, high-interest-rate loans and the household's informal and formal economies. The effects described are significant at the household level and can pose a risk to the nation's economy. This has been framed as a problem by the Indonesian Financial Services Authority (OJK): the circulation of online gambling affects household resilience and increases the risk of informal financial flows. This is also similar to and connected to the issue of gambling-induced economic micro-instability.

The findings show that the phenomenon of online gambling can be understood as more than a personal problem. Online gambling is a complex, multifaceted social issue that involves unsolved difficulties of unequal distribution of wealth, poor mental health, and inadequate regulation of social structures of the internet. Hence, it requires comprehensive, holistic policies that include proactive, protective financial literacy, community-based proactive/recovery rehabilitation efforts, and comprehensive policies on the regulation of online gambling to ensure individual protection and the preservation of the nation's socio-economic balance.

**Table 2.** Behavioral Patterns, Impacts, and Control Strategies of Online Gambling

Indicator	Pattern	Impact	Brief analysis
Patterns of Online Gambling Behavior	Frequency: Often, Sometimes, rarely	Addiction, Loss of Self-Control	High frequency increases the risk of addiction and self-control issues.
Motivations for Involvement	Motivation: Desire to Get Rich, Unemployment	Financial Crisis, Stress	Economic motivation often drives participation in online gambling.
Financial Impact	Impact (Financial): Excessive Spending, Debt	Bankruptcy, Decline in Well-Being	Spending on online gambling worsens the financial condition of individuals and families.
Psychological Impact	impact (Psychological): Stress, Depression	Decreased Self-Esteem, Social Isolation	The psychological impact of financial losses leads to severe mental health problems.
Control Strategies	strategy: Rehabilitation, Education	Financial Recovery, Increased Awareness	Education and rehabilitation are essential to prevent involvement and support recovery.

**Source:** Developed by the author

Different studies showcase the online gambling environment as multi-dimensional in scope and depth. Victim challenges intertwine and stem from social, psychological, and financial fault lines. This underscores the importance of family, community, and formal psychological frameworks as targets of intervention within the context of online gambling. Empirical frameworks regarding the psychology of gambling and gambling addiction will be central in designing interventions focused on the financial and psychological burdens that gambling imposes.

Table 2 captures gambling behavior. External variables, such as unemployment and economic recessions, are identified as primary motivators of gambling engagement. Consequences of reckless gambling behaviors are multi-dimensional, ranging from social disintegration and broken relationships to financial loss and personal mental health disorders. Anticipating the behaviors described in these studies to inform policy, public health education, and rehabilitation will help contain the social and economic fallout.

### **Policy Strategies and Recommendations for Strengthening the National Economic System in Addressing Online Gambling**

The rise of online gambling can have long-lasting consequences on economic and social stability. It can jeopardize not only the psychological well-being of individuals but also have severe financial impacts on family members and the broader community.<sup>26</sup> Thus, the emphasis on understanding gambling behavior and conducting problem gambling research will help craft policies that address gaps in economic structures. This calls for the development of well-rounded, comprehensive policy frameworks in which one key element would be adopting more stringent controls on the online gambling ecosystem, for instance, more effective controls on gambling advertisements and more efficient age-verification frameworks to block access to minors.<sup>27</sup>

Moreover, the partnership of the state, industry, and community is critical to gambling policy and prevention strategies, including community awareness initiatives regarding the risks of online gambling (Columb et al., 2021). Various policy authorities may target unsanctioned gambling operators more directly. The state could also channel the incoherence around online

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<sup>26</sup> Dowling et al., “Problem Gambling and Family Violence: Factors Associated With Family Violence Victimization and Perpetration in Treatment-Seeking Gamblers.”

<sup>27</sup> Paul Delfabbro et al., “Cryptocurrency Trading, Gambling and Problem Gambling,” *Addictive Behaviors* 122 (2021): 107021, <https://doi.org/10.1016/j.addbeh.2021.107021>.

gambling regulations into establishing an online gambling task force to reduce economic harms and promote more inclusive socio-economic development.<sup>28</sup>

The hope is that, with enhanced regulation, education, and coordinated efforts across multiple sectors, the national economy will become more resilient to the challenges of online gambling and, at the same time, foster better and safer social conditions. Online gambling is an escalating threat to the stability of an economy and to the well-being of people's finances. It can lead to income revisions, destabilize a family's finances, and contribute to an economic crisis fueled by online loans and reckless spending. There is evidence that online gambling leads to financial destabilization and contributes to a downward spiral of the economy, including bankruptcy, unemployment, and liquidation of personal assets to pay gambling debts.<sup>29</sup>

At the social level, the impacts of Internet gambling include antagonistic and violent behaviors, the breakdown of families, and unexplained and undetected societal problems such as depression and socio-economic affliction, which, in the end, destabilize social long-term security and vulnerability. In Islamic economics, the loss of social and public welfare (*maslahah*) and the imbalance of social and moral justice (public distributive justice) will have long-lasting and damaging effects. Islamic gambling is also a violation of *maqasid al-shariah*, especially the protection of wealth (*hifz al-mal*), creating unproductive wealth, and fostering dependency on detrimental debts. A punitive response would lack the impact on the problem. It would require integrated and preventive systemic measures, including moral, socio-economic rehabilitation, balanced socio-economic governance, and social construction and integration.

To dismantle illicit online gambling networks, strengthened digital surveillance, tighter controls on gambling currencies and payments, and energetic enforcement of legal sanctions are vital; simultaneously, value-education and religious literacy initiatives, emphasizing a disciplined and ethical adherence to Islam, will prove invaluable. The establishment of extensive rehabilitation services will be vital. It should be coordinated debt resolution, empowerment through income-generating activities, and, importantly, faith-integrative psychotherapy geared to the loss-and-grief cycle of gambling addiction. Adopting an Islamic economic framing to these recovery pathways, policymakers can respond to online gambling's direct social and legal harm, as well as the loss of financial stability, through the principles of *adl*, *mizān*, and

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<sup>28</sup> Stevens et al., "Global Prevalence of Gaming Disorder: A Systematic Review and Meta-Analysis."

<sup>29</sup> Gainsbury et al., "How the Internet Is Changing Gambling: Findings from an Australian Prevalence Survey."

*jalab*. The expected economic recovery post-gambling rehabilitation should be ethical and sustainable, protecting household and national economic morale.

## CONCLUSION

In Indonesia, the impacts online gambling has on the economy are complex and multidimensional: financial, social, and moral. Personally, online gambling impacts users by causing economic losses, creating debt, and psychological distress. Economically, online gambling affects the economy by causing unproductive capital outflows, generating unproductive flows, and weakening aggregate demand and household disposable income, thus weakening household economic resilience and compromising long-term economic viability and growth. Global economic digitalization, especially during the COVID-19 pandemic, and the accompanying economic uncertainty have facilitated the expansion of online gambling. This trend weakens social cohesion, diverts capital away from productive economic activities, exacerbates the social gambling problem, and increases the social and fiscal costs that the government must manage.

Online gambling from an Islamic economic perspective contravenes the *maqāsid al-shari'ah*, particularly the preservation of wealth (*hifẓ al-māl*), intellect (*hifẓ al-'aql*), and social order (*hifẓ al-'ird*). As a form of *maysir* gambling, it disturbs the social order by undermining distributive justice, ethics, and morality. Hence, it requires integrated, unitive policy approaches to the balanced deployment of the three pillars of legislation—enforcement, economic dispossession, and community Islamic moral social initiatives. There is a need for cooperative and integrative action by the state's financial authorities, police, and religious leaders/authorities to defend the state's borders against the adverse economic effects of online gambling. Islamic banks and the zakat institutions may lend a hand in financial rehabilitation and promoting ethics and zakat. With integrated civilizational approaches to social and moral education, with religious (spiritual) education, the country would bolster the development of sustained moral and inclusive economic growth.■

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