A Systematic Approach To Digital Gambling: The Role Of Accounting Information Systems In Economic Stabilization

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Abstract: The rapid rise of digital betting in Indonesia has led to significant economic impacts, particularly on household financial stability and the national economy. Although digital betting is illegal in Indonesia, the ease of access to digital platforms has led to its widespread growth, with transaction values estimated to reach IDR 327 trillion by 2023. This study aims to explore the economic impacts of digital betting and how Accounting Information Systems (AIS) can play a crucial role in managing and mitigating the financial losses caused by this phenomenon. Using a descriptive qualitative approach, data were collected through literature reviews and secondary data analysis from official reports and trusted sources. The findings show that digital betting contributes to financial instability in households, increased debt, decreased work productivity, and the diversion of spending from essential needs. Additionally, this study highlights the importance of implementing AIS to monitor betting-related cash flows, increase financial transparency, and provide relevant data for policymakers to design preventive measures. The study suggests stronger policies to regulate digital betting and recommends leveraging AIS as a tool to foster economic stability at both individual and community levels.
Keywords: Digital Betting, Economic Instability, Accounting Information Systems, Financial Stability, Regulatory Policy

INTRODUCTION

The rapid rise of digital gambling in Indonesia has raised significant concerns regarding its impact on individual financial stability and the broader economic system. Although this activity is illegal in Indonesia, the growth of digital platforms has made gambling increasingly accessible, and despite regulatory efforts, it continues to thrive. According to data from the Financial Transaction Reports and Analysis Center (PPATK), the total value of transactions related to digital gambling in Indonesia was estimated to reach IDR 327 trillion in 2023, indicating that this is not merely a social issue but also a major economic challenge with wide-reaching effects on households and the national economy.

Although existing literature has extensively discussed the social, psychological, and legal aspects of digital gambling, understanding of its economic impact—especially in developing countries like Indonesia—remains limited. Most research has focused on gambler behavior, addiction patterns, or legal frameworks, while the role of Accounting Information Systems (AIS) in managing the financial risks posed by digital gambling has yet to be thoroughly explored. In fact, AIS is designed to monitor, manage, and report financial data, making it essential to understand how AIS can help mitigate financial instability caused by digital gambling.

This study aims to fill that gap by examining the role of AIS in addressing the economic impact of digital gambling. Specifically, it explores how AIS can be used to track, regulate, and manage financial flows related to digital gambling, which often go unrecorded in traditional financial systems. The main research questions posed in this study are: How can accounting information systems contribute to economic

stabilization amidst the growth of the digital gambling industry? What is the primary role of AIS in tracking financial behavior and supporting effective policymaking?

Theoretically, this research expands the scope of AIS by integrating it into the analysis of the informal digital economy, offering a new perspective on financial transparency and risk management. Practically, the study aims to provide insights for policymakers, financial institutions, and business actors on how AIS can be used to prevent financial losses, regulate the digital gambling economy, and contribute to economic stability at the household and community levels.

This research employs a qualitative descriptive approach using secondary data obtained from official reports, media sources, and relevant academic literature. This article is structured into several main sections: following this introduction, the second section presents a literature review and theoretical framework; the third section outlines the research methodology; the fourth section discusses the results and findings; and the fifth section offers conclusions and policy recommendations.

RESEARCH METHOD

This study employs a literature review design and secondary data analysis. The data were collected from various relevant sources, including government reports, journal articles, reputable media publications, and reports from financial institutions and regulatory bodies related to digital gambling in Indonesia. This approach enables the researcher to identify patterns and themes related to the economic impact of digital gambling and the role of AIS in mitigating these impacts.

Data Collection Techniques

Data were collected using two primary techniques:
   a) Literature Review: The researcher gathered scholarly journal articles, books, policy reports, and other secondary sources related to the economic impact of digital gambling and the application of AIS in the digital economy context.

   b) Secondary Data Analysis: The study used published data from institutions such as the Financial Transaction Reports and Analysis Center (PPATK), Bank Indonesia, and the Ministry of Communication and Information Technology, including information on digital gambling transaction values, industry growth trends, and policies enacted to address online gambling.

Data Analysis Techniques

The collected data were analyzed using qualitative content analysis. This approach aims to identify key themes related to the economic impact of digital gambling and how AIS can assist in managing and mitigating emerging risks. The analysis process involved the following steps:
   a) Coding: Marking and categorizing relevant information related to economic impacts and AIS implementation.
   b) Theme Identification: Analyzing the coded data to identify key emerging themes such as financial instability, increased debt, and the role of AIS in financial oversight.
   c) Interpretation: Connecting the findings with relevant theories—such as behavioral economics, digital economy, and accounting information systems theory—to provide a more comprehensive understanding of AIS's role in economic stabilization.

Data Validity and Reliability

Data reliability was ensured through source and method triangulation, combining multiple data sources and analytical approaches to validate the accuracy of the findings. Data verification was also conducted by cross-checking information from different sources and conducting member checking to ensure that the interpretations aligned with real-world conditions.

Theoretical Framework

This methodology is based on the accounting information systems theoretical framework, which views AIS as a tool for managing, monitoring, and regulating financial flows, as well as preventing potential financial losses caused by digital gambling. The framework also incorporates relevant theories from behavioral economics and the digital economy to understand the long-term effects of digital gambling on household and community economic stability.

RESULT AND DISCUSSION

This study identifies five key themes related to the economic impact of digital gambling based on secondary data analysis and literature review. These themes highlight significant impacts on individual and household finances, as well as how Accounting Information Systems (AIS) can play a role in mitigating these effects. Below is an in-depth discussion of the main findings.

Increase in Digital Gambling Transactions

One of the most striking findings in this study is the rapid increase in digital gambling transactions in Indonesia. Based on data obtained from various official reports, digital gambling transactions have significantly risen from IDR 90 trillion in 2019 to IDR 327 trillion in 2023. The graph in Figure 2 clearly shows this upward trend, illustrating how quickly this industry has expanded. This increase in transactions reflects not only the growth in the number of users but also the growing accessibility of gambling platforms through mobile devices, which allows individuals to gamble anytime and anywhere.
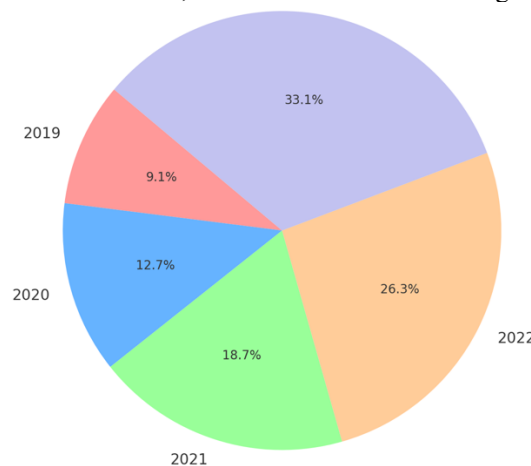

Figure 1. Increase in digital gambling transactions in Indonesia from 2019 to 2023.

Financial Instability in Households

The increase in digital gambling has also contributed to significant financial instability among individuals and households. Many respondents in this study reported losing their savings and accumulating unpaid debts due to gambling habits. This phenomenon is clearly visible in the larger spending on gambling platforms, which ultimately leads to household financial crises.

Interviews with several micro-business owners revealed that many of them had uncontrolled spending, most of which was directed toward gambling. This impacted their ability to meet basic household needs such as food, children's education, and healthcare. For instance, a family that originally had savings for their child's education eventually diverted that money to fund their gambling habits, ultimately harming their children's future. This illustrates that while online gambling may offer the hope of quick profits, in reality, it adds a heavy economic burden.

Increase in Household Debt

Rising debt is one of the direct impacts of digital gambling. Many gamblers, in order to fund their habits, borrow money through unregistered and unregulated online lending platforms. This is highly detrimental because of the high-interest rates and their inability to repay the mounting debts. Data from Bank Indonesia shows an increase in loan demand from individuals involved in digital gambling.

This situation creates a difficult-to-break debt cycle, where individuals continue seeking loans to cover previous gambling losses, which, in turn, increases the risk of personal bankruptcy. Moreover, this phenomenon also affects overall household economic stability, exacerbates dependency on non-productive borrowing sources, and leads to ongoing financial crises.

Decline in Work Productivity

The impact of digital gambling is also deeply felt in the workforce, particularly in the informal and service sectors, where many workers experience a decline in productivity due to gambling addiction. Interviews with several companies revealed that many employees frequently miss work, lack focus, and

show decreased performance due to the psychological disturbance caused by gambling. This decline not only affects the individual but also reduces the overall productivity of the company.

Some service sector companies even reported higher employee turnover among those involved in digital gambling. Employees who suffer from gambling addiction tend to neglect their job responsibilities, which ultimately harms the company in the long term. This effect also impacts the country's economy, where instability in the workforce reduces competitiveness and diminishes the potential for economic growth.

Shift in Household Expenditures
One of the key socio-economic impacts found in this study is the shift in household expenditures from basic needs such as food, education, and healthcare to gambling activities. Surveys conducted indicated that households exposed to digital gambling are more likely to spend a large portion of their income on gambling, neglecting basic needs that should be prioritized. For instance, most families involved in gambling have reduced their budget for children's education, which could harm the quality of life and the future of their children.

This worsens social and economic inequality, where low-income groups that should receive support to improve their quality of life are instead trapped in a harmful consumption cycle. This shift in spending also lowers the purchasing power of the public, which ultimately affects the local economy and worsens household economic instability.

Weak Enforcement of Policies and Regulations
One of the factors exacerbating the rise of digital gambling is the weak enforcement of laws and regulations against illegal gambling websites. Although the Indonesian government has made efforts to block gambling sites, many of these sites continue to appear with new domains, making monitoring increasingly difficult. Several studies and reports indicate that despite policies aimed at tackling digital gambling, ineffective implementation allows illegal platforms to continue operating without control.
This weak law enforcement further aggravates the economic instability resulting from digital gambling because the flow of money involved in gambling does not get recorded in the formal economic system. Therefore, the role of the government in strengthening policies and integrating tighter digital surveillance is crucial to effectively tackle this phenomenon.

The Role of Accounting Information Systems (AIS)
Accounting Information Systems (AIS) play a critical role in addressing the economic impacts of digital gambling, especially in terms of financial instability experienced by individuals and households. One of the primary functions of AIS is to monitor the flow of funds related to gambling activities. In this context, AIS can provide greater transparency in financial management, which is often hidden in informal or digital transactions that are not clearly recorded in the formal financial system. By using this system, individuals and households can more easily identify and separate consumptive and unproductive expenditures, such as spending on gambling, from budgets that should be used for basic needs like education and healthcare.

The implementation of AIS also enables more efficient financial management, both at the individual and household levels. For example, AIS can help families create more realistic budgets in line with their financial capabilities, especially given that many households fall into harmful gambling habits. With a system that records each expenditure and income in a more structured manner, AIS provides a clear picture of spending patterns that could harm family finances, as well as allows for more prudent financial planning. Thus, families can more easily control their spending and avoid debt traps caused by gambling addiction.

Moreover, AIS can serve as an early detection tool to identify suspicious transactions. Gambling-related transactions, which are often not recorded in the formal financial system, can be monitored in real-time by AIS. With the ability to detect unusual transaction patterns, AIS can give early warnings to users or policymakers that activities could lead to financial risks. This is crucial, as uncontrolled digital gambling can lead to significant losses, not only for individuals but also for the overall stability of household finances. Therefore, using AIS to monitor and identify suspicious transactions can be a highly effective preventive measure.
At the policy level, AIS can also provide relevant and accurate data for policymakers to design more effective preventive measures or interventions. The government and financial institutions can use data

collected by AIS to formulate more efficient, evidence-based policies to address the impact of digital gambling. For instance, data gathered through AIS can be used to develop better social protection policies or to enhance financial literacy education in communities. Thus, AIS not only functions as a monitoring tool but also as a long-term solution to reduce the financial losses caused by digital gambling and contribute to greater economic stability at both the individual and community levels.

CONCLUSION

This study reveals the significant impact of digital gambling on Indonesia's economic stability, focusing on household financial instability, increasing debt, declining work productivity, and the shifting of household expenditures. The rapidly increasing digital gambling transactions—from IDR 90 trillion in 2019 to IDR 327 trillion in 2023—indicate that this phenomenon has developed into a serious economic issue. These impacts worsen social inequality and exacerbate the economic conditions of families trapped in the debt cycle caused by online gambling addiction.

The role of Accounting Information Systems (AIS) in addressing these economic impacts is crucial. AIS can help monitor the flow of funds related to digital gambling, provide financial transparency, and detect suspicious transactions that may harm individuals. Additionally, AIS enables more efficient and accurate household budgeting, preventing further financial losses. By applying AIS, individuals and households can make wiser financial decisions and prevent economic damage caused by gambling.

However, the weak enforcement of policies and regulations regarding digital gambling remains a major challenge. Despite efforts to block illegal gambling sites, the sector continues to thrive due to inadequate monitoring. Therefore, a stronger approach is needed, including improved financial literacy, tighter digital surveillance, and the use of AIS to detect and manage the economic impact of digital gambling. More integrated and data-driven policies will help create better economic stability in society.

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