

# **THE IMPACT OF GAMBLING ON THE WELFARE OF KENYANS. (NAIROBI COUNTY)**

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Economics in the school of Business and Economics  
in partial fulfillment of the requirements for the  
award of the degree of Bachelor of Science in  
Economics and Statistics**

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## DECLARATION BY THE STUDENT

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This project is my original work and has not been presented for a degree or any other award in any other University.

Name: .....

Signature: ..... Date: .....

This project has been submitted for examination with our/my approval as University supervisor(s)

Name: .....

Position: ..... Date: .....

Position: .....

Department: .....

University: .....

## ABSTRACT.

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For the past three years, the Country has witnessed the proliferation of gambling firms which has seen the industry diversify from early gambling modes like Casinos to new modes like sports betting, lotto lottery and online betting. Specifically, sports' betting has grown in popularity especially among the youth and is currently the number one gambling activity in Kenya.

The industry has equally grown at an unprecedented rate with tax collections growing and this is evident going by the statistics released by PWC in the last quarter of 2015 indicating that the annual gross turnover of sports betting is Ksh. 2.1 Billion. According to PWC, the figures are projected to grow to more than Ksh. 5.1 Billion in the next three years.

Gambling industry is perceived as one of the unexploited potential tax bases that could be tapped into to finance some of the priorities in the national budget. In some countries like South Africa, gambling industry has generated substantial resources to fund government priorities or projects and created employment.

Unfortunately, the lottery and gambling industry is associated with undesirable socioeconomic problems. For instance, gambling participation may negatively affect gamblers themselves through financial and family distress caused by problem gambling, and through negative externalities imposed on the community, such as increased crime (Kearney 2005). Subsequently, there is a need to achieve a balance between addressing government revenue needs and the social costs that go along with legalized gambling.

As the gambling industry continues to grow in leaps and bounds, a well-founded comprehension of the sector and its socioeconomic effects on the Kenyan economy and society is imperative.

Gambling is a risky behavior that is associated with considerable socio-economic problems. For instance, a gambler would rather spend less on household needs or even forfeit savings which

could be handy in future at the expense of buying lottery tickets or tempting sports betting odds. Gambling only encourages laziness and drives away most people from engaging in constructive activity as it gives false hope of quick riches. One in a million people benefit from this risk taking activity.

Research confirms that the poorest in the society spend a higher proportion of their personal income on gambling compared to their richer counterparts. Gambling widens inequality and its social impact, including cases of addiction (problem gamblers), domestic violence and/divorce, depression and even suicide has far reaching consequences than the gains it appears present.

## DEDICATION.

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A dedication to my family for their unwavering support and to the Kenyan generations to come, let choices on gambling be made from a knowledgeable perspective.

## ACKNOWLEDGEMENT.

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This research project is the product of intense hard work. Nevertheless, the success in the execution of this critical component of my education ambitions could have been complete without the diligent and tireless support of various individuals I would like to acknowledge.

First to the Almighty Lord for his blessings of health, mind and strength to pursue my goals and education ambitions.

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# Contents

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DECLARATION BY THE STUDENT.....	2
ABSTRACT. ....	3
DEDICATION.....	5
ACKNOWLEDGEMENT. ....	6
LIST OF TABLES.....	12
LIST OF FIGURES. ....	13
<b>CHAPTER ONE</b> .....	<b>14</b>
<b>Introduction.</b> .....	<b>14</b>
<b>1.1 Background to the study.</b> .....	<b>14</b>
<b>1.2 Statement of the problem.</b> .....	<b>17</b>
<b>1.3 Objectives of the study.</b> .....	<b>18</b>
<b>1.4 Research questions.</b> .....	<b>18</b>
<b>1.5 Significance of the study.</b> .....	<b>19</b>
<b>1.5.1 The general public</b> .....	<b>19</b>
<b>1.5.2 Sports Betting Industry</b> .....	<b>19</b>
<b>1.5.3 Betting Control and Licensing Board (BCLB).</b> .....	<b>19</b>
<b>1.6 Scope of the study.</b> .....	<b>19</b>
<b>1.7 Limitations of the study.</b> .....	<b>20</b>
<b>1.8 Definition of terms</b> .....	<b>20</b>
<b>1.8.1 Sports Betting.</b> .....	<b>20</b>

1.8.2 Welfare .....	20
<b>CHAPTER TWO .....</b>	<b>21</b>
2.0 Literature review. ....	21
2.1 Theoretical Framework.....	21
2.1.1 Basic Needs Theory. ....	21
2.1.2 Rational Choice Theory. ....	22
2.2 Literature review. ....	23
2.2.1The Social Costs of Gambling.....	23
2.2.2 Mobile /Electronic Money and Sports Betting.....	24
2.2.3 Social Media and Sports Betting .....	25
2.2.4 Why Gambling’s Social Costs are “Hidden”.....	27
2.2.5 The Gambling Culture .....	28
2.2.6 BCLB Kenya .....	28
2.3. Summary .....	29
<b>CHAPTER THREE .....</b>	<b>30</b>
3.0 RESEARCH METHODOLOGY .....	30
3.1 Introduction .....	30
3.2 Research Design. ....	30
3.3 Population and Sampling Design.....	31
3.3.1 Population. ....	31
3.3.2 Sampling technique. ....	31



3.3.3 Sample Size.....	31
3.4 Data Collection Methods.....	32
3.5 Research Procedures.....	32
3.6 Data Analysis Methods.....	33
3.7 Chapter Summary.....	33
CHAPTER 4.....	34
DATA ANALYSIS AND FINDINGS.....	34
4.1 Introduction.....	34
4.2 General information.....	34
4.2.1 Gender.....	34
4.2.2 Age groups.....	35
4.2.3. Relationships.....	35
4.2.4 Source of income.....	36
4.2.5 Gambling prevalence.....	37
4.3 Gambling behavior.....	37
4.3.1 Gambling practices.....	37
4.3.2 Frequency of gambling.....	39
4.4 Motivation to gamble.....	42
4.4.1 Influence to gamble.....	43
4.4.2 Form of gambling and their influence to gamble.....	44
4.5 Gambling implications.....	45

4.5.1 Source of gambling stake. ....	45
4.5.2 Monthly spending. ....	46
4.5.3 Frequency of wins. ....	48
4.5.4 Monthly winnings on gambling. ....	49
4.5.5 Use of winnings. ....	54
4.5.6 Social cost due to gambling. ....	55
4.5.7 General thoughts on gambling. ....	60
4.6 Chapter Summary. ....	61
CHAPTER 5 .....	62
5.0 SUMMARY, CONCLUSIONS AND RECOMMENDATIONS .....	62
5.1 Introduction. ....	62
5.2 Summary. ....	62
5.3 Discussions. ....	64
5.3.1 Financial implications of gambling. ....	64
5.3.2 Social implications of gambling. ....	64
5.4 Conclusions. ....	65
5.5 Recommendations. ....	65
5.5.1 Recommendations for further studies. ....	66
References. ....	67
APPENDIX. ....	71

## LIST OF ABBREVIATIONS.

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<b>BCLB</b>	Betting Control and Licensing Board
<b>CAK</b>	Communications Authority of Kenya
<b>ICT</b>	Information and Communications Technology
<b>PWC</b>	PricewaterhouseCoopers
<b>CRB</b>	Credit and Reference Bureau
<b>BBC</b>	British Broadcasting Co-operation

## LIST OF TABLES.

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1. Table 4.1: Gender.
2. Table 4.2: Age groups frequency.
3. Table 4.3: Relationships.
4. Table 4.4: Income sources.
5. Table 4.5: Gambling frequency.
6. Table 4.6: Gambling prevalence amongst age groups
7. Table 4.7: Casino frequency
8. Table 4.8: Sport betting frequency
9. Table 4.9: Lotteries frequency table.
10. Table 5.0: Slot machine frequency table.
11. Table 5.1: Other gambling forms frequency table.
12. Table 5.2: Motivation to gamble.
13. Table 5.3: Source of stake.
14. Table 5.4: Spending on different forms of gambling.
15. Table 5.5: Frequency of wins for different gambling forms.
16. Table 5.6: Monthly spending.
17. Table 5.7: Spending of winnings.

## LIST OF FIGURES.

---

1. Figure 4.1: Form of gambling
2. Figure 4.2: Influence to gamble
3. Figure 4.3: Form of gambling and influence to gamble
4. Figure 4.4: Monthly spending on gambling
5. Figure 4.5: Frequency of wins
6. Figure 4.6: Frequency of wins for gambling forms
7. Figure 4.7: Use of winnings
8. Figure 4.8: Wrong use of money
9. Figure 4.9: Time loss
10. Figure 5.0: Disagreements
11. Figure 5.1: General thoughts on gambling

# CHAPTER ONE

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## **Introduction.**

### **1.1 Background to the study.**

Over the recent years, the gambling industry has been on the fast rise in most of the African countries and the world over. The majority of the fast-rising industries have been specifically linked to most of the developing nations. The gambling industry is on such a fast rise that a Dublin based research company estimates that by the year 2022 this particular industry will be worth more than 635 billion dollars. The industry is so huge that put into context, it gains 50 times more profit than Toyota, the world's largest carmaker (BBC news).

The Kenyan gambling industry is considered to be the largest in sub-Saharan Africa and is only ranked third in the entire African continent with only South Africa and Nigeria ranking above at first and second positions respectively. In Kenya, the largest number of gamblers is concentrated on young people aged between 17-35yrs. Nairobi ranks as the largest gambling city in Kenya with 18 casinos, 120 table games, 908 gaming slots and video poker machines (Rading Biko 2018).

The PWC gambling outlook 2017-2022 report shows that Kenya's sport betting industry alone has had yearly turnovers of up to \$20 million (1.98 billion Ksh. as per recent exchange rates) and will reach a possible range of \$50 million (4.95 billion Ksh.) in the year 2020 since there is still more demand growing. This growth can be attributed to the fact that technological advances in Kenya, especially on the use of smartphones and the internet in Kenya, is on a constant rise. Kenya has 91% penetration of smartphone usage compared to Africa's 80% (Kevin Namwona 2019). The gambling companies have now taken advantage of these technological advances,

betting; specifically sports betting, in the country has become the biggest form of gambling with up to 75% of those who bet or gamble do so by using their smartphones in the country. 96% of Kenyans will use mobile phones to gamble, this being a sharp contrast to only 48% in South Africa, which despite having a higher smartphone penetration in Africa will see more people prefer gambling in casinos.

In Kenya, gambling especially sports betting has been on the increase to the point that most people will engage themselves daily due to the ease that comes with using the mobile phone. Some may even claim that gambling could be used as a replacement for the more traditional methods of earning a living. Sports gambling has over the years been seen as a lucrative and profitable business especially in the African market. This is seen to be true with especially international football leagues like the English Premier League, Spanish La Liga, Bundesliga getting better attention and cult-like followings from their international fan base.

In the year 2013 Sportpesa was the first Kenyan online sports betting company to be registered and licensed. Since then there have been more and more online sport betting companies that have set up in Kenya, both locally managed and international firms. Some of this will include Bet Pawa, Elite bet, Betin, 1xBet just but to name a few.

Gambling has not only been restricted to sports betting as there has also been an influx of more lottery games in the country. The lotteries include Lotto, Shinda washinde, Kenya sweepstake, and more. Both these forms of betting are now seen to command a very huge chunk of the mainstream media advertisement. With time there came the introduction of cheap money betting machines brought mainly from China which were more accessible at even the most remote areas. These machines would be the cause of a lot of concern as it didn't have age limitations hence exposing even minors to gambling, as such there was a spirited fight by the government to

remove them from the public. There has also been an influx of new trends in how more and more people can engage in betting with the introduction of sport betting shops where people can go and engage with others in the practice.

Though considered to be a worrying trend especially among the young people in Kenya, the question on why people gamble is still seen to be key on people who consider it a vice that needs to be dealt with in the most urgent way possible. Sammut M. (2010) indicates that communities that suffer economic hardships and many social ills will look to gambling as a solution to most of their problems. Kenya finds herself among the African countries that have a majority of people living below a dollar a day. Indeed, more and more people will engage in various forms of betting with the sole reason of increasing whatever little they earn, without necessarily having to sweat as much as with the work and probably the time it would take if they were to see any other form of investment. Gambling is seen as easy money that can be gained over a very short period. A gamble, after all, is defined by the Oxford dictionary as a significant risk, undertaken with the potential to get a desired gain. Gambling has indeed been defined as betting money or any other form of property on the outcome of a game or event that is based ultimately on chance (Sammut M. 2010).

For most people, the money that is used for the betting purpose won't matter, as all that is looked at, is the results. There have been different cases of more and more people using their entire salaries, rent, and school fees as stakes in their gambling endeavors. Also with the emergence of more and more mobile-based lending platforms; that is not regulated by the Government through the Central Bank of Kenya. This by itself has led to an increased access to loans, 31% of which are used for betting purposes (KIPPRA).



With these cases have come some very serious repercussions. In 2016 it was reported in a daily newspaper how a university student committed suicide by hanging himself after losing an equivalent of 20,000 Kenyan shillings as a stake for a bet. Since then there have been more and more cases of suicides and bankruptcy, being listed on the CRB, domestic violence in homes, dropping out of school or being exempted from university examinations and also being evicted from homes due to late payment or complete non-payment of rental fees.

Though gambling is indeed seen as a problem at all stages and age groups of life, the young people are most especially affected by this as they are the largest percentage that will engage in regular betting, The Standard Media put the percentage of youth who engage themselves in gambling at 79% as per their recent report. The increase in gambling activities despite the knowledge of its effect on their day to day is indeed wanting. Thus this study examines what effect gambling has on the welfare of people in the country.

## **1.2 Statement of the problem.**

It is evident that there has been an increase in the number of gambling activities in the country. Nairobi County is constantly being seen as the hub for more and more technological advancements and new trends in the gambling industry. Despite more and more warnings and various red signs as to the effect that gambling has on the individual man, there hasn't been any stop or even significant reduction in the number of people who would want to engage themselves in the betting practice. It could be argued that with more calls to have better regulations on the gambling world, there has also been an unrelenting will among more people to engage in the industry.

There however needs to examine the true effect that gambling poses to the welfare of those who practice it on whatever basis. While gambling may be seen to be a practice that will remain

rooted well in the hearts of many Kenyans it is important then to give information on what practices will help to lessen the negative effects that gambling poses (call it ethical gambling; if you will). Thus this research seeks to inform on the impact of gambling on people's welfare, with the aim of better educating the general public so that more informed choices and judgment can be made.

### **1.3 Objectives of the study.**

The main objective of this study was to analyze the impact of gambling on the welfare of Kenyans especially those within Nairobi County.

#### **1.3.1 Specific objectives.**

The main objective of the study was guided by the following specific objectives:

- i. To assess the prevalence of gambling among the residents of Nairobi County.
- ii. To establish the most desired form of gambling amongst the County residents.
- iii. To establish the frequency of gambling by the residents of Nairobi county.
- iv. To establish the motivation to gamble by the county's residents.
- v. To examine the welfare implications of gambling on the Nairobi residents.

### **1.4 Research questions.**

The study was guided by the following research questions:

- i. What are the figures for the number of people who are in constant engagement with gambling in their day to day lives?
- ii. Which form of gambling is most common to be used among the city residents and why?
- iii. What influences the frequency of betting amongst those who engage in gambling?

- iv. What are the major motivators to gamble by different people from different walks of life?
- v. What are the main advantages and disadvantages that gambling has had on the happiness, good fortune and prosperity of gambling individuals?

### **1.5 Significance of the study.**

#### **1.5.1 The general public**

This study aims to give more understanding to the consumers of the gambling craze and perhaps shed light on the effect that gambling ultimately has on their happiness, good fortune, and prosperity at an individual level.

#### **1.5.2 Sports Betting Industry**

The study helps to identify ways and avenues that sports betting is impacting the general public. It also highlights the role companies play in protecting the vulnerable members of the public from the negative effects of betting.

#### **1.5.3 Betting Control and Licensing Board (BCLB)**

This study aimed at approaching gambling with more emphasis on sports betting in Kenya from a new perspective. Currently, the government sees it as a source of taxation and funds. This study shows how this activity affects its users who were vulnerable to addiction, how the laws were not made to protect users rather they were created for Licensing and Taxation rules purposes.

### **1.6 Scope of the study.**

This research was restricted to Nairobi, Kenya. It was conducted in the period between December 2019 and March 2020. The population consisted of both male and female individuals of the general public, from all walks of life, all of whom regularly engaged themselves in the

different forms of gambling. This included casinos, sports betting and lotteries. The frequency of gambling was not used as an eliminating factor of the respondents.

### **1.7 Limitations of the study**

With the constant shifts especially concerning betting in the country, this study was mainly limited to the time when all sport betting sites were still active within the country. All betting companies were considered; this was even though some companies like Sportpesa, Betin Kenya and a few others, halting their operations in the country.

Another key limitation faced was the willingness of the respondents to engage freely and provide all the necessary information. As a measure for this, assurance had to be given on their confidentiality and anonymity.

### **1.8 Definition of terms**

#### **1.8.1 Sports Betting**

Palmer, (2013) defined Sports betting, at its simplest, placing a financial wager on the outcome of a sporting match, as well as on events that occur within the larger match or fixture.

#### **1.8.2 Welfare**

The Merriam-Webster dictionary defines welfare as the state of doing well especially in respect to good fortune, happiness, well-being, or prosperity.

## **CHAPTER TWO**

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### **2.0 Literature review.**

This chapter seeks to look at both the theoretical concepts and the published and unpublished literature views that have been written concerning gambling. By the end of the chapter, we seek to understand the grey areas that these reviews may not touch on and as such help to further the need for this research project.

### **2.1 Theoretical Framework.**

There have not been many theories written with specifications for gambling. There have however been different theories that would be used to inform some of the gambling behaviors of different persons. The study was based on the Basic Needs Theory (Abraham Maslow 1943) and the Rational Choice Theory.

#### **2.1.1 Basic Needs Theory.**

According to this theory, certain minimum requirements are essential to a decent standard of living. The physiological needs have to be catered for before other needs like security, sense of belonging and affection and others can be pursued. Each of us is motivated by needs. Our most basic needs are inborn, having evolved over tens of thousands of years. Abraham Maslow's Hierarchy of Needs helps to explain how these needs motivate us all.

Maslow's Hierarchy of Needs states that we must satisfy each need, in turn, starting with the first, which deals with the most obvious needs for survival itself. Only when the lower order needs of physical and emotional well-being are satisfied are we concerned with the higher-order needs of influence and personal development. Conversely, if the things that satisfy our lower order needs are swept away, we are no longer concerned about the maintenance of our higher-

order needs. To meet these primary needs, people may make a choice rationally to engage in gambling seeking to offset this deficiency.

This theory seeks to inform the perception of gambling having to be a basic necessity amongst most people.

### **2.1.2 Rational Choice Theory.**

There is no widely accepted definition of the rational choice theory, however, two very distinct senses are observed on how the term is used. The first is an informal sense where choice is only rational when it's made deliberately and consistently.

The person making the choice has thought about what it is they want to do and has given a reasonable and justifiable reason for the choice made. This, in turn, makes making choices to be an overtime thing or focusing on their choices about particular things, for example, the food to eat, whether or not to attend classes in university. One would expect that rationality would lead to more consistent (and relatively stable) choices. This means that you would expect that there wouldn't arise any unexplainable swings in terms of the choices and that the means chosen to effectuate the goals of the decision-maker will be reasonably well-suited to the attainment of those goals (Nozik 1993).

Under this theory is the choice under uncertainty. The decision making under uncertainty poses that decision-makers will attempt to maximize expected utility by combining three vital elements; their attitude towards taking risks (risk neutrality, risk preference, and the most common attitude, risk aversion) their stable well-ordered preferences for the possible outcomes and estimates the likelihood of various possible outcomes.

The unemployment challenge currently being experienced in the country may force various people to try their hand in gambling and see whether it's possible to make some income. Though not only restricted to just unemployed people, some employed persons may seek to increase their income capability. This results in most people choosing to be risk-neutral and focus everything on making a success out of their choices.

## **2.2 Literature review.**

This focuses on any published or unpublished material on the matter concerning gambling both locally and internationally.

### **2.2.1 The Social Costs of Gambling.**

In literature on gambling, the social costs fall into nine groups.

- **First are the crime costs** that relate to police, apprehension, adjudication, and incarceration expenditures. There is a connection between gambling and crime through pathological gambling, which is defined by the American Psychiatric Association in its Diagnostic and Statistical Manual (DSM IV) as "persistent and recurrent maladaptive gambling behavior as indicated by five (or more) of" ten items. Among these behaviors are committing illegal acts such as forgery, fraud, and theft to finance one's gambling.
- **Business and employment cost-** include lost productivity on the job, lost work time, and unemployment-related employer costs (such as retraining workers or searching for replacement workers).
- **Bankruptcy-** imposes costs on society in the form of legal and other resources expended.
- **Suicide** imposes costs on families and the wider society as well as ending the life of despondent gamblers.

- **Illness** related to pathological gambling has been reported to include stress-related sickness, cardiovascular disorders, anxiety, depression, and cognitive disorders.
- **Social service** costs are unemployment, treatment costs, and other social services and payments related to gambling.
- **Direct regulatory costs** related to government oversight of gambling and the gambling industry.
- **Family costs** include divorce, separation, child abuse and neglect. Domestic violence is also related to gambling disorders.
- **Abused dollars** are dollars obtained improperly but not reported as a crime. Often this is the case because the money or property is stolen by a relative or friend.

### 2.2.2 Mobile /Electronic Money and Sports Betting

Mobile Money Transfer is the activity of receiving and sending money from one person to another via a mobile device, characterized as consumer to consumer. This could also be consumer to Business or Business to consumer. Mobile money amounts are stored in a Mobile wallet and are equivalent to cash and can be exchanged for goods and services. Previously set up as a product to fill the gap of the unbanked, Mobile Money has morphed into an e-commerce giant breaking down industry definitions (Gikenye & Ocholla, 2010). Mobile phone technology has also been innovatively used to offer financial transfer services whose fast adoption and success is proof that it is very handy for those relatively smaller transactions which the existing banking services have not been able to reach. The mobile phone-based money transfers and transaction service has also supplemented and given competition to the formal banking services due to their convenience, availability, and informality that is not offered by the existing banking system (Gikenye & Ocholla, 2010). To support this, Jack and Suri, (2011) noted that as the costs



of mobile phone technology have fallen, and as the technology has been adapted to support financial services, mobile banking innovations have begun to spread across and within poor countries. The low cost, and the widespread unmet demand for financial services, as captured by low rates of bank access, means that mobile banking has the potential to reach remote corners of the socio-economic, as well as geographic, spectrum (GSMA, 2015). Mobile money continues to deepen financial inclusion. In 2015, the number of mobile money services increased to 271 in 93 countries. Moreover, according to World Bank data on global financial inclusion, mobile money services are available in 85% of countries where the number of people with an account at a financial institution is less than 20%. In contrast, the growth of Mobile Money in Kenya has been exponential (Communication Authority-Kenya, 2016b).

### **2.2.3 Social Media and Sports Betting**

According to a recent study more than half of the households in the United Kingdom (54%) had tablets in early 2015; this is up from 44% that was recorded in the year 2014. Locally, this is supported by a study by in Kenya among small business owners (Gikenye & Ocholla, 2010). The mobile phone is one ICT that seems to be quite popular among the MSE traders, with over 90% of the respondents reporting that they not only owned a mobile phone but also used them to conduct their businesses. The growth of the mobile phone has had a positive effect on the uptake of betting and gambling overall around the world. According to Panis et al., (2011) the gambling and betting industry has become extremely popular due to the growth of mobile phones. Gambling products such as lotteries, instant games, sports betting and others have become popular and experienced tremendous growth as a result of investment and growth of mobile technologies and especially the mobile phone. Some of the mobile-based technologies that have

enhanced the growth of lotteries and betting includes the provision of bet placing through SMS or WAP or the ability to play games and earn money through mobile phones (Panis et al. 2011).

Secondly, the betting is primarily a business to the Customer market which leverages technology to enhance efficiency and effectiveness. According to Panis et al., (2011) and supported by Gikenye and Ocholla (2011) the merging of entertainment and mobile telephony has led to increased customer attraction, product diversification as well as increasing interaction and experiences for the customers. Mobile phones have increased the interactivity between customers and betting as well as promoting a real-time user experience.

According to the Communications Authority of Kenya (2016a), Mobile penetration is at 87.7% in Kenya. The mobile telephony sub-sector experienced a marginal drop in the number of mobile subscriptions during the quarter under review to post 37.7 million subscriptions down from 37.8 million recorded last quarter. Consequently, mobile penetration dropped by 0.4 percentage points to stand at 87.7 percent down from 88.1 percent recorded during the previous quarter. The growth of the Internet has also played a significant factor (Communication Authority of Kenya, 2016a). During the period, October to December 2015, the number of internet/data subscriptions grew by 10.6 percent to register 23.9 million subscriptions up from 21.6 million subscriptions registered during the previous period. Subsequently, the number of estimated internet/data users stood at 35.5 million up from 31.9 million users recorded during the last quarter. This translated to an internet/data penetration level of 82.6 percent up from 74.2 percent recorded during the previous quarter. Mobile data posted 23.7 million subscriptions representing an increase of 10.2 percent from 21.5 million subscriptions recorded last quarter. These are the robust numbers the Sports Betting companies, most especially are leveraging on (Mwangi & Moshi, 2016).

#### **2.2.4 Why Gambling's Social Costs are "Hidden"**

Just as the social costs of crime are usually hidden; as with silent embezzlement by an employee that goes on for years until it is discovered, there are other reasons that the social costs of gambling, though all being quite real, might seem hidden. For example, gambling industry representatives are fond of advertising the amount of taxes that their proposed casino or gambling project will pay. They treat this as a social benefit and typically calculate their numbers from projected revenues. Never, or rarely, do they project the lost taxes that public coffers will experience when demand dollars are shifted away from other businesses? However, the taxes of all businesses matter to social costs and benefits. The lost taxes from other businesses become a de facto hidden cost. A similar story applies to the other eight components of social costs. For example, the category of direct payments to problem gamblers appears second in the list of social costs and benefits. An addicted gambler who is subsequently fired and collects unemployment benefits or other social service payments imposes a cost on society that would not be present except for gambling. Since the budget that makes the outlay is relatively far removed from the cause, the social cost becomes another de facto hidden cost. The value of stolen assets would certainly be considered a social cost to the non-gambling public from which the assets might be taken, but no simple or reliable tabulation exists, making them hidden costs from the social perspective. Being hidden obscures the true value of more than just costs. For example, what are the true benefits of gambling? The direct amenity value is the benefit of gambling. It is the amount of money that individuals would be willing to pay if making payment provided them with the opportunity to gamble. This is not the amount of money that they would gamble away if given the opportunity, but rather the amount they would rather pay for the opportunity.

### **2.2.5 The Gambling Culture**

The gambling industry often suggests that the benefit of gambling is the number of jobs that it creates. There are serious problems with this erroneous view. First, reporting the number of employees that a casino hires does not take into account the lost jobs at competing businesses to which gambling revenues would have gone. Worse, as the calculations in the appendix shows, jobs nowhere appear in the list of social costs and benefits. They are a means to an end, but not an end itself. In other words, jobs matter to creating taxes paid, firm profits, and the other components of the second equation, but listing jobs as a benefit is double counting. The temporary exception might be a situation where the introduction of gambling reduced unemployment. However, because unemployment is a temporary phenomenon dependent on the business cycle, such a benefit would also be temporary. No gambling industry document of which I am aware has estimated the effect of its proposal on prices and the profits of all businesses. Since the effect of casinos is often harmful to competing businesses—this has been especially true of restaurants in the vicinity of casinos, for example—these overlooked costs are effectively hidden costs.

### **2.2.6 BCLB Kenya**

In Kenya, the gambling industry is regulated by law under the Betting Control and Licensing Board and guided by the Betting, Lotteries and Gaming Act of 1991. The policy and legislation relating to this industry are detailed but there is poor implementation of the law. BCLB must ensure that firms that operate this business meet the requirements like proper certification, conduct quarterly inspection and elimination of illegal gambling set up near schools especially in poor neighborhoods as this may have negative effects in terms of school attendance and performance among others. Betting Control and Licensing Board has been faulted for not doing

enough to minimize the negative social and economic impacts of gambling by promoting responsible gambling.

The public should be protected from over-stimulation of latent gambling through limitation of gambling opportunities and this can be done by imposing tighter restrictions on advertising, tighter restrictions on entry into gambling establishments based on age, and ban importation of cheap gambling machines from China among others. BCLB should adopt a proactive approach to problem prevention by ensuring that the public are well informed about the potential risks associated with gambling as this would have a significant effect on the eventual socio-economic impacts of gambling before many Kenyans especially the youth "gamble away their life".

### **2.3. Summary**

From all the above this chapter has reviewed the existing literature on the research questions of the study. The main points being theories as to why most people will engage in the gambling industry, the societal effect that gambling has had and reasons for the robust growth the industry has had through the years and the effect it has had on people. Also looking at how it affects society.

## **CHAPTER THREE**

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### **3.0 RESEARCH METHODOLOGY**

#### **3.1 Introduction**

The general objective of the study was to do a comprehensive assessment of the sports betting industry in Kenya and how it specifically impacts users in Nairobi. This chapter describes the research methodology that was utilized. It also explains the choice of research design, population and sampling design, data collection methods, research procedures, and data analysis methods.

#### **3.2 Research Design.**

A research design is defined as the overall blueprint that defines the conduct of research (Bryman & Bell, 2011). It is the overall plan and strategy that informs the key decisions that are adopted in the research. A researcher has to choose from an exploratory, descriptive explanatory, case study, cross-sectional studies research designs. This is informed by the overall objective of the study or research.

This study adopted a descriptive research design. A descriptive research design involves the gathering of data to describe trends, a phenomenon or case (Bryman& Bell, 2011). The overall objective of this study was to describe the effects the gambling industry in Kenya had on the people's welfare. This study utilized a quantitative research approach. In a quantitative research approach, the researcher focuses on quantifying the data into numerical values. This study uses quantitative research approaches as well as data collection instruments. A quantitative research approach is desirable as it reduces the researcher's bias as well as provides statistically measurable variables and thus was justified for use in the study.

### **3.3 Population and Sampling Design.**

#### **3.3.1 Population.**

Polit and Hungler refer to the population as an aggregate or totality of all the objects, subjects or members that conform to a set of specifications. The key characteristics of this study were individuals who engaged in any form of gambling using mobile phones to place bets. According to the Betting and Licensing Control Board, there were 30 sports betting companies in Kenya with bookmaker's licenses. This is coupled with more than 19 casinos and 4 lotteries. The BCLB is the authority board managing the betting establishments in Kenya hence why this study used these numbers.

#### **3.3.2 Sampling technique.**

Sampling technique refers to the systems and processes used to select the sample size. There exist two broad classes of sampling techniques: probability and non-probability sampling techniques. Probability sampling techniques utilize scientific basis of likelihood to select sample size while non-probability sampling techniques utilize the researcher's judgment (Bryman & Bell, 2011). This study utilized the probability-based sampling technique: stratified random sampling technique. In a stratified random sampling technique, the researcher classifies the population into strata's and each element within a strata is given an equal chance for inclusion in the study. The strata's for this study were the various sport betting companies that use mobile phones to deliver their services.

#### **3.3.3 Sample Size.**

Saunders et al., (2009) defines a sample size as a small section of subjects drawn from the larger population. According to Saunders et al., (2008) the choice of sample size within this compromise is governed by the confidence you need to have in your data; the margin of error

that you can tolerate – that is, the accuracy you require for any estimates made from your sample; the types of analyses you are going to undertake – in particular, the number of categories into which you wish to subdivide your data, as many statistical techniques have a minimum threshold of data cases for each cell (e.g. chi-square); and to a lesser extent: the size of the total population from which your sample is being drawn.

### **3.4 Data Collection Methods.**

Primary was used in this study. A structured questionnaire was the primary data collection instrument. A questionnaire was justified for use in this study as it enhanced the collection of qualitative as well as quantitative data. Furthermore, a questionnaire allowed for the collection of data in a cost-effective, easy and without the researcher's influence on the findings. The first section sought general data about the respondents and their experiences around Betting. The rest of the sections were molded around the specific objectives. It began with the frequency of betting and reasons as to why they keep coming back. Then, questions on if they consider themselves to be vulnerable to addiction to this activity. The next section concentrated on the number of times they had gotten any winnings and how the amount was used. The questions were constructed using Likert's 5-point scale. In addition, open-ended questions were used to collect qualitative data.

### **3.5 Research Procedures.**

The research process entailed obtaining permission from the researcher's university. The researcher obtained an introductory letter from the university which facilitated the speedy acceptance by the intended respondents. In addition, the researcher pilot tested the questionnaire for its efficiency in collecting data. At the pilot testing stage, the questionnaire was administered to 10 individuals who were not involved in the actual data collection. The individuals gave



feedback on the ease of understanding and relevance of the questions in the questionnaire. Cronbach Alpha statistics was used to ensure that the data collected was reliable and valid for the findings. The cut-off measure for the statistic in this study was 0.6 which was considered adequate for reliability and validity generalization (Bryman & Bell, 2011).

### **3.6 Data Analysis Methods.**

Data collected from the questionnaires was keenly inspected for errors and gaps in the study. After inspection and editing, the questions were coded and keyed into SPSS for analysis. Quantitative techniques were used for the data analysis. Descriptive statistical techniques were used. Descriptive statistics such as frequency distribution tables, means, deviations, and modes were used for the description of the findings. This served the purpose of the study was to describe the variables under investigation in the study. The data was then presented in figures and tables.

### **3.7 Chapter Summary.**

This chapter has described and justified the research methodology to be employed for this research. The chapter has explained the research design, the sampling design. The chapter has also touched on data analysis and the research procedures. Once the data is collected, the proceeding chapter presents the analysis of the findings.

## CHAPTER 4

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### DATA ANALYSIS AND FINDINGS.

#### 4.1 Introduction.

This chapter presents the finding of the foregoing study. The chapter is segmented into three main chapters; the first seeks to explain the population demographics of individuals who constantly engaged in gambling the second seek to give understanding on the general behavior of the gambling population; the third chapter seeks to explain some of the implications due to gambling, of the respondents.

Ninety-eight people participated in the survey this was from an initial expectation of up to one hundred respondents. The study thus achieved a 98% response rate. The data was collected between 2<sup>nd</sup> March and 9<sup>th</sup> of March 2020. Up to 100 questionnaires were distributed both electronically and physically. 98 of the total number of questionnaires sent were returned by the respondents.

#### 4.2 General information.

This section gives findings about general demographics of the study.

##### 4.2.1 Gender.

###### SEX

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	58	75.3	75.3	75.3
	female	19	24.7	24.7	100.0
	Total	77	100.0	100.0	

#### **Table 4.1 Gender**

Table 4.1 reveals that the majority of the respondents for the study were male. This is evident with the percentage of men who engaged in gambling standing at 75% while that of females standing at 24%. This shows that the gambling industry in Nairobi County is mainly dominated by men.

#### **4.2.2 Age groups.**

This study also sought to investigate which age bracket engaged in gambling the most. The young people who range at 10 – 20 yrs. and 21 -30 yrs. were dominant in the industry with both this age groups having a combined total percentage of 76.6%. Respondents 31 – 40 yrs. who are considered to be middle aged only represented 10.4%. Lastly, 13% of the respondents were in the 41 – 50 yrs. age range, which is considered as the older generation.

Age groups					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	10 - 20	10	13.0	13.0	13.0
	21 - 30	49	63.6	63.6	76.6
	31 - 40	8	10.4	10.4	87.0
	41 - 50	10	13.0	13.0	100.0
	Total	77	100.0	100.0	

#### **Table 4.2 Age groups gambling frequency.**

#### **4.2.3. Relationships.**

The study found out that a majority of the respondents who were single, were the most likely to engage in gambling activities at 72.7% while married people were the least likely at 27.3%.

**RELATIONSHIP**

		Frequency	Percent	Valid Percent	Cumulative Percent
	Married	21	27.3	27.3	27.3
Valid	Single	56	72.7	72.7	100.0
	Total	77	100.0	100.0	

**Table 4.3 Relationships.****4.2.4 Source of income.**

This study sought to find out the income sources of the gambling population. 17.9% of the respondents were in full time employment, 15.4% were employed on a part time basis, 16.7% were self-employed, 6.4% were unemployed and 42.3% of the respondents were actually students. These findings imply that students were the ones majorly involved in gambling while the unemployed were the least gamblers.

**SourceOfIncome**

		Frequency	Percent	Valid Percent	Cumulative Percent
	Full time emolument	14	18.2	18.2	18.2
	Part time employment	12	15.6	15.6	33.8
	Self employed	13	16.9	16.9	50.6
Valid	Unemployed	5	6.5	6.5	57.1
	Student	33	42.9	42.9	100.0
	Total	77	100.0	100.0	

**Table 4.4 Source of income.**

#### 4.2.5 Gambling prevalence.

The study sought to find the gambling prevalence amongst the gambling population. This was reached by getting the number of respondents who were engaged in gambling and those who didn't. It was discovered that there was a prevalence of 78.6% prevalence of gambling amongst Nairobi residents.

Gamble		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	77	78.6	78.6	78.6
	No	21	21.4	21.4	100.0
	Total	98	100.0	100.0	

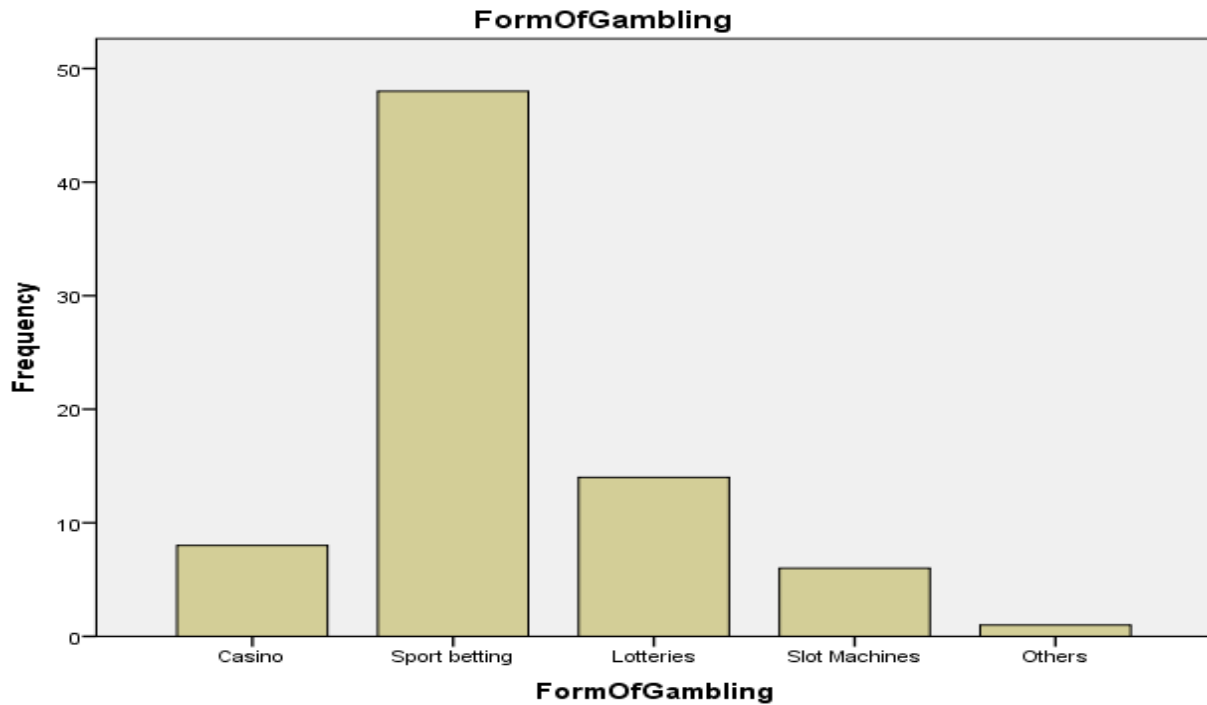
**Table 4.5 Gambling frequency.**

#### 4.3 Gambling behavior.

This section seeks to give better understanding of the gambling behavior of the gambling population.

##### 4.3.1 Gambling practices.

Taking into account respondents who only, constantly engaged in gambling, this study sought to establish the most desired form of gambling among the city's residents. From the data collected it was concluded that the most desired form of gambling was sport betting at 62.3%, this was followed closely by lotteries at 18.2%, 10.4% for casinos, 7.8% for slot machines and 1.3% for any other form of gambling highlighted. The only other form of gambling that was highlighted by on respondents was pool tables and card games i.e. poker. This helped in concluding that the most desired form of gambling was sport betting while the least desired form of gambling was Slot machines.



**Figure 4.1 Forms of gambling.**

The study also aimed at further breaking down this figure to ascertain which form of gambling was popular at the different age groups.

**Form Of Gambling \* Age as high or low Cross tabulation**

Count

		Age as high or low				Total
		10 – 20	21 – 30	31 – 40	41 – 50	
FormOfGambling	Casino	0	3	1	4	8
	Sport betting	6	37	4	1	48
	Lotteries	0	7	2	5	14
	Slot Machines	4	1	1	0	6
	Others	0	1	0	0	1
Total		10	49	8	10	77

**Table 4.6 Gambling prevalence among ages.**

It was observed that Casinos was more preferred amongst the old ages with 50% of people aged between 41 – 50yrs, 12.5% for ages between 31-40yrs and 37.5% for ages between 10-30yrs. Sport betting was more prevalent amongst the young people with 89.58% of people aged between 10 -30yrs, 8.3% for ages between 31-40yrs and 2.12% for ages 41-50. Lotteries was also largely prevalent among the young ages at 50% for 10-30yrs, 14.23% for ages 31-40yrs and 35.77% for ages between 41-40yrs. Slot machines was most prevalent amongst the young with 83.3% of respondents aged 10-30yrs and 26.7% for ages between 31-40yrs. The pool tables and card games which was representative of other forms of gambling was engaged in by only on respondent who lies in the 10-30yrs age bracket.

#### 4.3.2 Frequency of gambling.

This study sought to establish the frequency of gambling for every form of gambling that was highlighted by the respondents.

##### 4.3.2.1 Casinos.

Casino		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Never	68	87.2	88.3	88.3
	A few times a day	1	1.3	1.3	89.6
	A few times a week	1	1.3	1.3	90.9
	Once a week	4	5.1	5.2	96.1
	Rarely	3	3.8	3.9	100.0
	Total	77	98.7	100.0	
Missing	System	1	1.3		
Total		78	100.0		

**Table 4.7 Casinos Frequency.**

It was observed that most of the respondents who engaged in Casino gambling mainly engaged on a once a week basis at 5.1% those who engaged on rare occasions at 3.8% once a week and few times a day both at 1.3%. Those that didn't engage in casino gambling stood at 87.2%.

#### 4.3.2.2 Sport betting.

##### Sport Betting

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Never	29	37.2	37.7	37.7
	A few times a day	2	2.6	2.6	40.3
	Once a day	24	30.8	31.2	71.4
	A few times a week	9	11.5	11.7	83.1
	Once a week	13	16.7	16.9	100.0
	Total	77	98.7	100.0	
Missing	System	1	1.3		
Total		78	100.0		

**Table 4.8 Sport betting frequency.**

The study observed that respondents who engaged in sport betting mainly engaged in it on a once a day basis at 30.8%, those who engaged once a week followed at 16.7%, respondents who engaged a few times a week followed at 11.5%, those who engaged a few times a day at 2.6% and those who didn't at all engage in sport betting stood at 37.2%.

#### 4.3.2.3 Lotteries.

The study observed that respondents who engaged in lotteries as a form of gambling mainly engaged mainly on a once a day and a few times a week basis at 7.7%, respondents who engaged in it once a week follow at 2.6% and those who didn't engage in lotteries as a form of gambling accounted for 80.8%.



**Lotteries**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Never	63	80.8	81.8	81.8
	Once a day	6	7.7	7.8	89.6
	A few times a week	6	7.7	7.8	97.4
	Once a week	2	2.6	2.6	100.0
	Total	77	98.7	100.0	
Missing	System	1	1.3		
Total		78	100.0		

**Table 4.9 Lotteries frequency table.****4.3.2.4 Slot machines.****Slot machines**

		Frequency	Percent	Valid Percent	Cumulative Percent
	Never	72	92.3	93.5	93.5
	A few times a day	1	1.3	1.3	94.8
	Once a day	2	2.6	2.6	97.4
	A few times a week	2	2.6	2.6	100.0
	Total	77	98.7	100.0	
Missing	System	1	1.3		
Total		78	100.0		

**Table 5.0 Slot machine frequency table.**

The study found out that respondents who engaged in slot machine gambling mainly engaged in it on a once a day basis and a few times a week basis at 2.6%, those who engaged a few times a day followed at 1.3% and those who never engaged in slot machines stood at 92.3%.

#### **4.3.2.5 Others.**

The study found out that respondents who engaged in the other forms of gambling, which was specified as pool tables and card games, only engaged a few times a day. This is represented at 1.3% while those who didn't engage at all stood at 97.4%.

##### **Other**

		Frequency	Percent	Valid Percent	Cumulative Percent
	Never	76	97.4	98.7	98.7
Valid	A few times a day	1	1.3	1.3	100.0
	Total	77	98.7	100.0	
Missing	System	1	1.3		
Total		78	100.0		

**Table 5.1 Other gambling forms frequencies.**

#### **4.4 Motivation to gamble.**

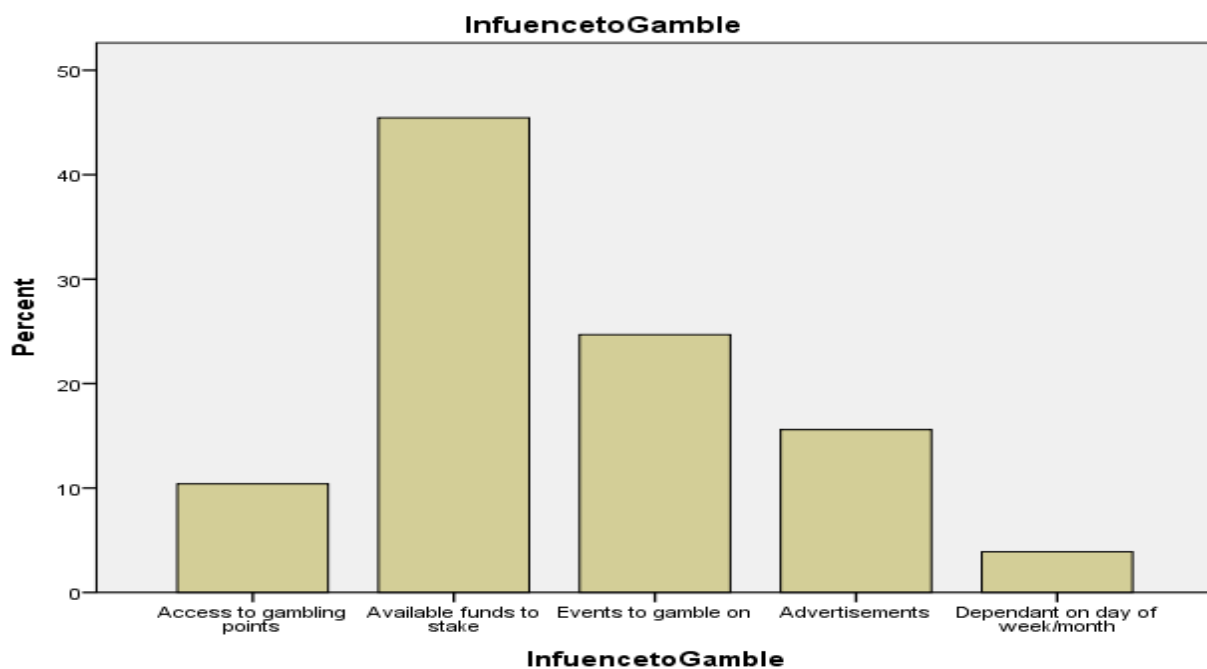
##### **Motivation to Gamble.**

		Frequency	Percent	Valid Percent	Cumulative Percent
	Money	54	70.1	70.1	70.1
	Enjoyment	21	27.3	27.3	97.4
Valid	Boredom	1	1.3	1.3	98.7
	Can't live without	1	1.3	1.3	100.0
	Total	77	100.0	100.0	

**Table 5.2 Motivation to gamble.**

71.1% of the study's respondents highlighted Money as their main source of motivation to continue gambling. 27.3% highlighted enjoyment as their main motivator to continue gambling. 1.3% of the respondents highlighted boredom and the fact that they couldn't live without gambling as their motivation to continue gambling.

#### 4.4.1 Influence to gamble.

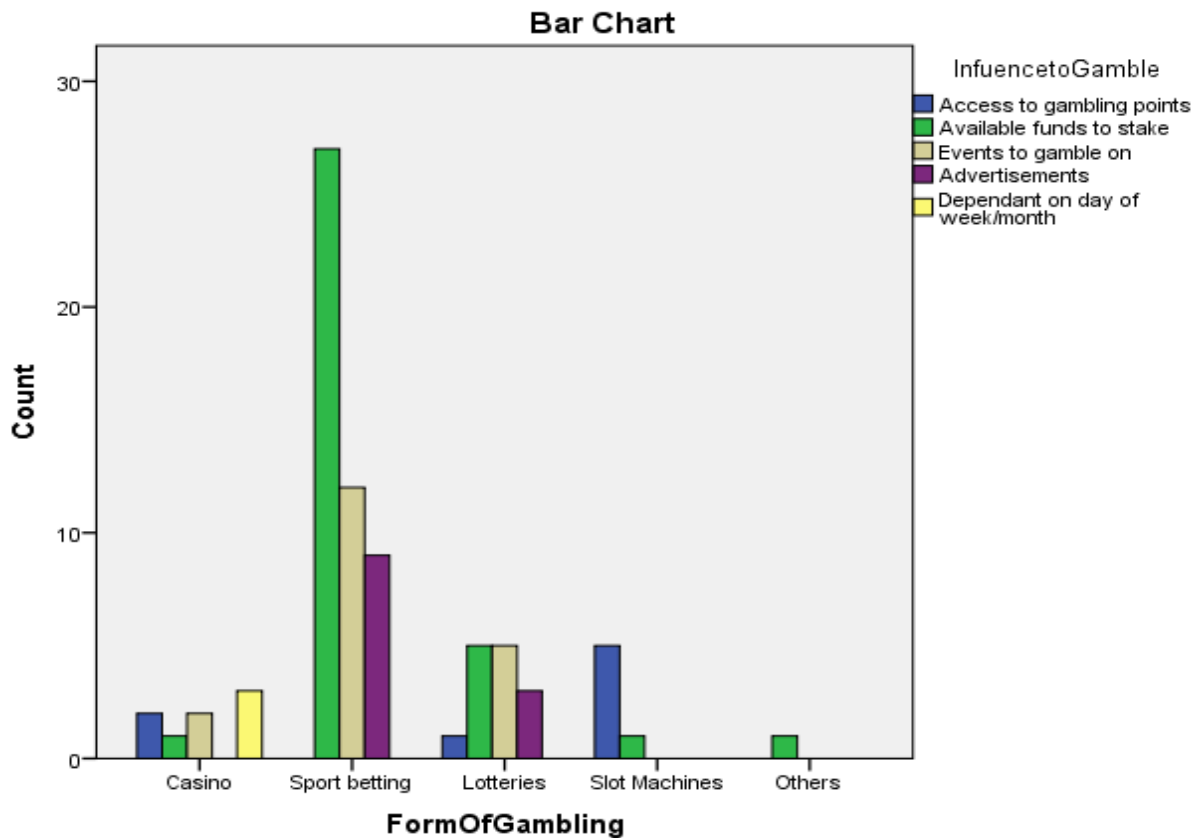


**Figure 4.2 Influence to gamble.**

The study found out that 10.4% of the respondents highlighted access to gambling points as their main influence to gamble. 45.5% highlighted availability of funds to stake as their influence to continue gambling, 24.7% of the respondents highlighted the availability of events to gamble as their main influencer to gamble. 15.6% of the highlighted advertisements on ways to gamble as their main influence to gamble while only 3.9% of the respondents highlighted that their main influence to gamble was dependent on the day of week and time of the month.

This led to the conclusion that the availability of funds was the main influencer of gambling habits while most gamblers were not necessarily bounded by either the time of the week or month to be able to engage in gambling.

#### 4.4.2 Form of gambling and their influence to gamble.



**Figure 4.3 Form of gambling and their influence to gambling.**

It was observed that most of the respondents who engaged in casino gambling were mainly influenced by the days of the week/month, these respondents were least influenced by the availability of funds to stake. These respondents were not at all influenced by advertisements. This would serve to show that casino gamblers could be considered to be of better financial capability to finance their gambling activities.

Sport betting gamblers, were mainly influenced by the availability to access funds to continue gambling. These respondents were however least influenced by advertisements and not at all influenced by access to gambling points and dependence on the day of the week/month.

It was also observed that respondents, who engaged in lotteries as a form of gambling, were mainly influenced availability of funds to stake and the availability of events to gamble on. They were least influenced by access to gambling points, the respondents were not at all influenced by the days of the week/month. Slot machine gamblers were mainly influenced by access to gambling points. These respondents were least influenced by the availability of funds to stake and not at affected by events to gamble on, advertisements and the day of the week/month. This can be attributed the fact most slot machines were captured and destroyed in a recent attempt to curb illegal gambling in the country.

## **4.5 Gambling implications.**

### **4.5.1 Source of gambling stake.**

<b>Source Of Stake</b>	<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Salaries and allowances	26	33.8	33.8	33.8
Student allowances	25	32.5	32.5	66.2
Loans	8	10.4	10.4	76.6
Others	18	23.4	23.4	100.0
Total	77	100.0	100.0	

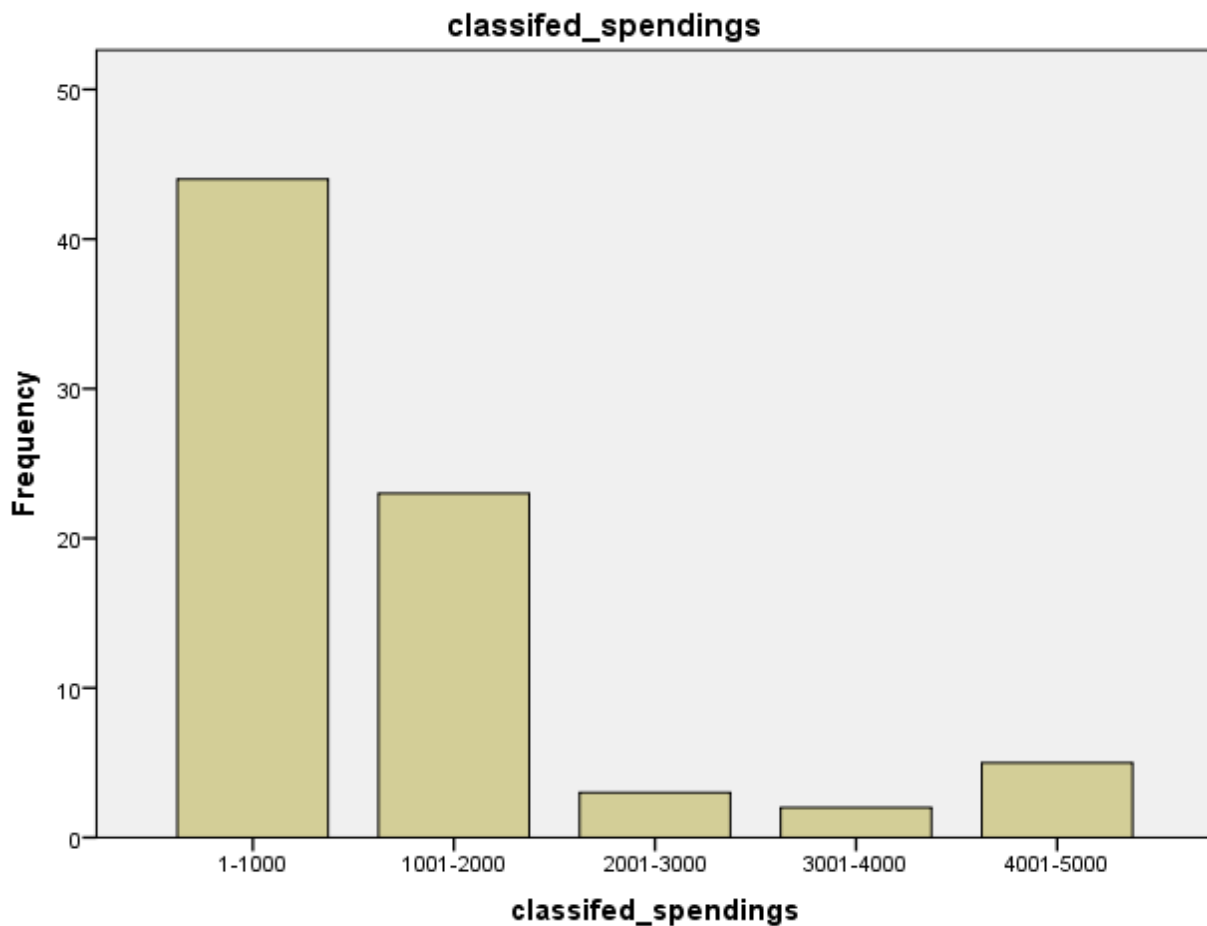
**Table 5.3 Source of stake.**

It was observed that 33.8% of the stake used was mainly from salaries and work allowance, 32.5% was from student allowances, 10.4% was from loans and 23.4% came from other sources

of income. The other sources of income were given as sales from work and previous winnings from gambling wins.

The main source of stake was therefore realized to be salaries and work allowances while the least source of stake was observed to be loans.

#### 4.5.2 Monthly spending.



**Figure 4.4 Monthly spending.**

It was observed that most of the respondents mainly spent 1-1000ksh, as stake on a monthly basis at 57.1%; this was closely followed by respondents who spent 1001-2001ksh monthly.

6.5% of the respondents spent 4001-5000ksh, 3.9% spent 2001-3000ksh while 2.6% spent 3001-4000 on a monthly basis.

These figures were broken down further to make comparison between the forms of gambling and the amounts spent by the gamblers on a monthly basis.

**Classified spending \* Form Of Gambling Cross tabulation**

Count

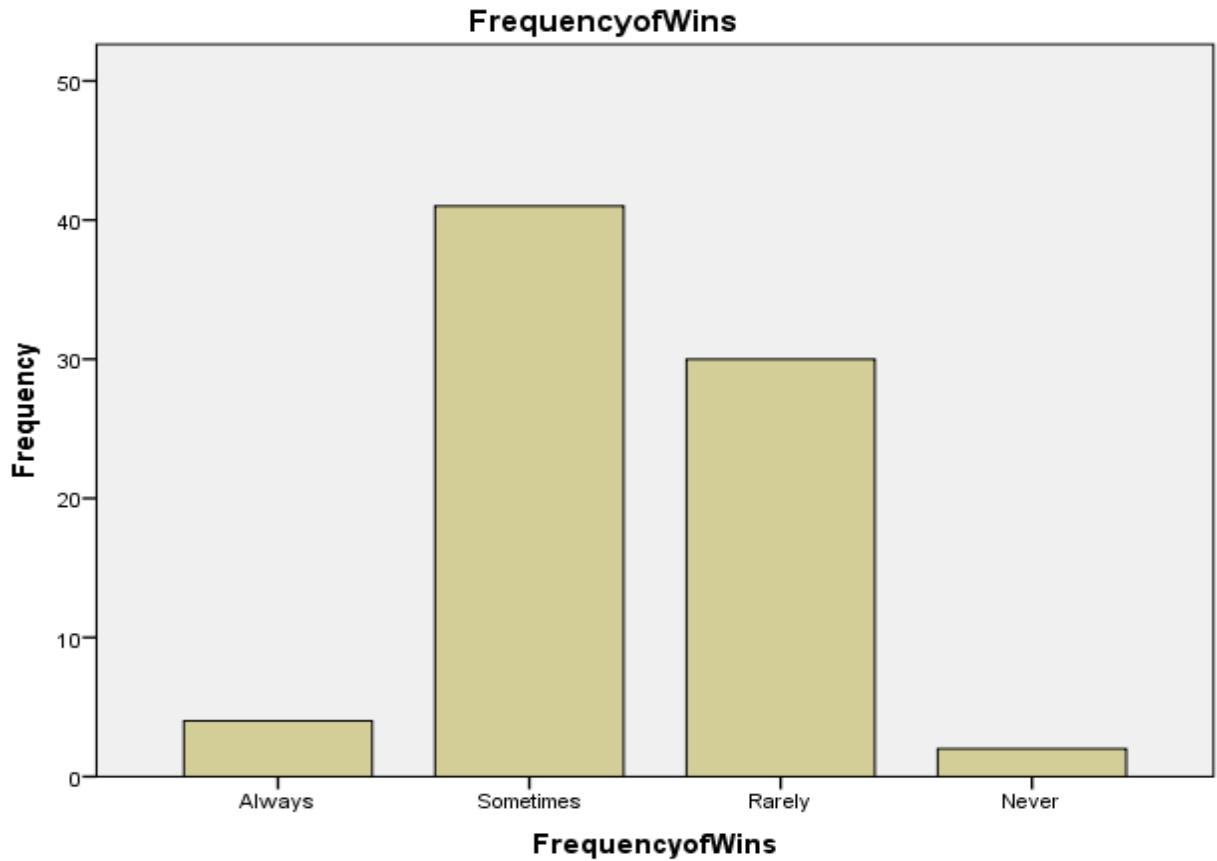
		FormOfGambling					Total
		Casino	Sport betting	Lotteries	Slot Machines	Others	
classified_spending	1-1000	2	26	9	6	1	44
	1001-2000	0	19	4	0	0	23
	2001-3000	2	0	1	0	0	3
	3001-4000	1	1	0	0	0	2
	4001-5000	3	2	0	0	0	5
Total		8	48	14	6	1	77

**Table 5.4 Spending to form of gambling.**

This study observed that casino gamblers had the highest frequency of respondents who spent 4001-5000ksh, this further pushing the point that casino gamblers were better anchored financially.

Sport betting respondents were mainly concentrated at the 1001-2000ksh range, lotteries, slot machines and other forms of gambling were mainly constituted in the 1-1000ksh range. Very few if any at all of these respondents went beyond the 2001-3000ksh point, in all three categories. This perhaps, showing low risk taking when engaging in these forms of gambling by the respondents.

#### 4.5.3 Frequency of wins.



**Figure 4.5 Frequency of wins.**

53.2% of the respondents recorded their frequency of wins as sometimes, 39% rarely had winnings on their gambling stakes. 5.2% of the respondents recorded that they always won on stakes placed, 2.6% never got wins on their stakes. Most people only sometimes got winnings on stakes placed.

The study sought to see the win frequency of the various forms of gambling.



### Frequency of Wins \* Form Of Gambling Cross tabulation

Count

		FormOfGambling					Total
		Casino	Sport betting	Lotteries	Slot Machines	Others	
FrequencyofWins	Always	0	3	0	0	1	4
	Sometimes	1	34	2	4	0	41
	Rarely	7	11	10	2	0	30
	Never	0	0	2	0	0	2
Total		8	48	14	6	1	77

**Table 5.5 Frequency of wins and the gambling forms.**

Casino gamblers mainly experienced rare wins on their stakes at 87.5% while 12.5% got wins sometimes. 70.8% of sport betting gamblers sometimes got wins on their stakes, 22.9% rarely got wins while 6.3% always got wins on their bets. 71.4% of lottery gamblers rarely got wins on their stakes while 14.3% of the respondents sometimes and never got win on their stakes respectively. The pool table and card games gambler recorded that he always got wins on his stakes.

### 4.5.4 Monthly winnings on gambling.

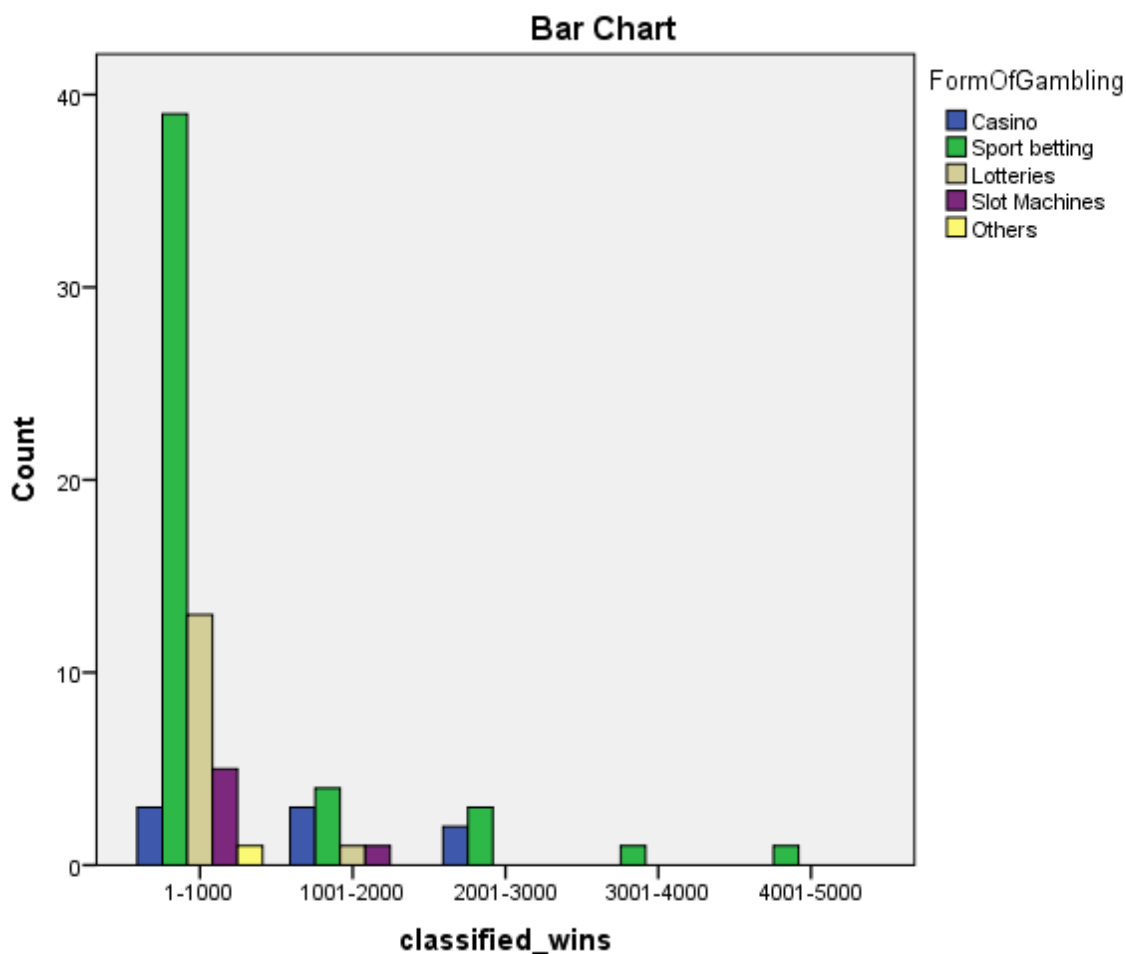
classified\_wins

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-1000	61	79.2	79.2	79.2
	1001-2000	9	11.7	11.7	90.9
	2001-3000	5	6.5	6.5	97.4
	3001-4000	1	1.3	1.3	98.7
	4001-5000	1	1.3	1.3	100.0
	Total	77	100.0	100.0	

**Table 5.6 Monthly wins.**

It was observed that most of the gamblers won mostly within the 1-1000ksh range at 79.2%, this was followed by those who won 1001-2000ksh at 11.7%. 6.5% of the respondents had winnings ranging from 2001-4000ksh, while the rest of the respondents had winnings ranging between 3001-400ksh and 4001-5000ksh each at 1.3%.

This prompted further analysis on the winning and how each form of gambling performed in terms of bringing the consumers their desired objective.



**Figure 4.6 Frequency of wins for each form of gambling.**

It was observed that, most of the casino gamblers mainly had winnings ranging from 1-1000ksh and 1001-2000ksh both at 37.5%, this was followed by those who won ranging from 2001-

3000ksh. It was observed that there were no winnings from beyond 3000ksh with this particular form of gambling.

Sport betting mainly had winnings ranging from 1-1000ksh at 81.3% of the total winnings, this was followed by winnings within the range of 1001-2000ksh at 8.3%. Winnings between the range of 2001-3000ksh stood at 6.3% while winnings between 3001-4000ksh and 4001-5000ksh each stood at 2.1%. This form of betting had winnings from all ranges that were covered in the study.

Lottery gamblers mainly experienced winnings ranging from 1-1000ksh at 92.9% of the total winnings. It was however noted that the majority of gamblers claimed not to have won anything most times of the month, many respondents put this amount down as winnings of just a shilling in a month. Winnings between the range of 1001-2000ksh accounted for 7.1% of the total winnings. It was further noted that there were no winnings beyond 2000ksh in this form of gambling.

Slot machine gamblers had their winnings mainly concentrated between 1-1001ksh at 83.3% of total winnings, while winnings within the 1001-2000ksh stood at 6.7% of total winnings. It was also noted that there were no winnings beyond 2000ksh in this form of gambling. For the other form of gambling, (pool tables and card games) winnings were made in the range of 1-1000ksh only.

To bring further understanding as to the benefits of gambling financially, the study sort to compare the monthly spending to the monthly wins.

**classified\_spending \* classified\_wins Cross tabulation**

Count

		classified_wins					Total
		1-1000	1001-2000	2001-3000	3001-4000	4001-5000	
classified_spending	1-1000	39	4	1	0	0	44
	1001-2000	19	2	0	1	1	23
	2001-3000	2	0	1	0	0	3
	3001-4000	0	2	0	0	0	2
	4001-5000	1	1	3	0	0	5
Total		61	9	5	1	1	77

**Table 5.7 Spending to winnings cross tabulation.**

It was observed that respondents who spent between 1-1000ksh mainly experienced wins between 1-1000ksh at 63.9% of the total winnings, this was followed by those who won between 1001-2000ksh at 44.4% of the total winnings, 20% of the total winnings stood between 2001-3000ksh. None of the respondents who spent within this price range, experienced wins of above 3000ksh.

Respondents who spent between 1001-2000ksh mainly experienced wins ranging between 1-1000ksh at 31.1% of the total amount of wins, this was followed by 22.2% who won between 1001-2000ksh. Respondents also got wins ranging between 3001-4000ksh and 4001-5000ksh each at 100%.

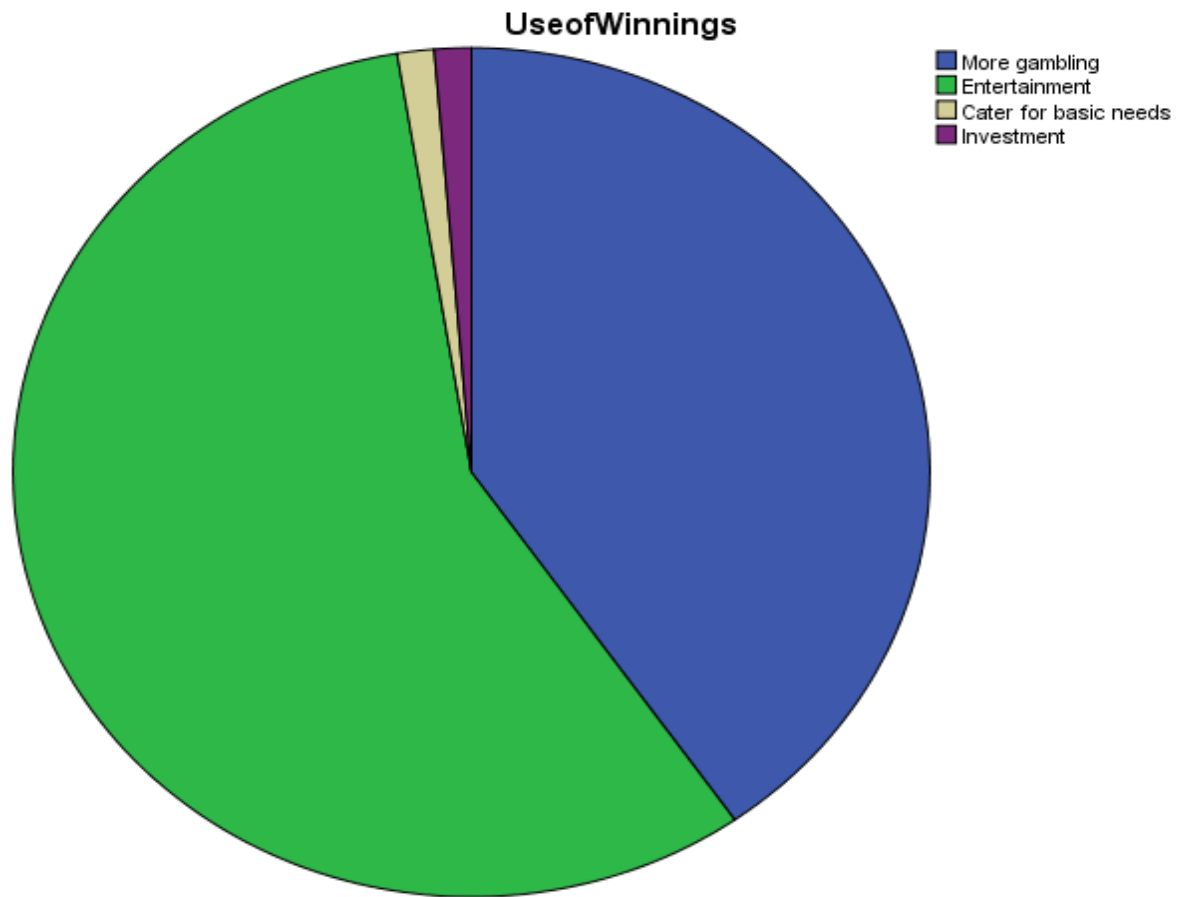
Gamblers who spent between 2001-3000ksh mainly experienced wins ranging between 3.3% of the total wins ranging between 1-1000ksh, this was followed by 20% of the total winnings

ranging between 2001-3000ksh. None of the respondents who spent within this range got winnings between 3000ksh.

It was further realized that respondents who spent between 3001-4000ksh mainly got winnings ranging from 1001-2000ksh at 22.2% of the total winnings at this range. No winnings were experienced beyond 2000ksh for respondents who spent within this price range.

Respondents who spent between 4001-5000ksh, mainly experienced winnings ranging from 2001-3000ksh at 60% of the total winnings at this range. This was followed by wins ranging between 1-1000ksh and 1001-2000ksh at 1.6% and 11.1% respectively, of the total winnings at each range. No wins beyond 3000ksh were recorded for this spending range.

#### 4.5.5 Use of winnings.



**Figure 4.7 Use of winnings.**

The study found out that 57.1% of the respondents mainly spent their winnings for entertainments purposes. 40.3% spent their wins on more gambling while those who spent their wins on catering for their basic needs and investing only accounted for 1.3% respectively.

As such it was noted most of the wins were mainly spent for entertainment and not for catering of basic needs or saving and investments, the latter of which would be used to improve the respondents financial position.

#### 4.5.6 Social cost due to gambling.

This study sought to determine the social costs which are the equivalent to social welfare costs; this was done through a series of questions.

##### 4.5.6.1 Inability to pay loans.

**TakeLoanNotpaid**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	41	53.2	53.2	53.2
	No	36	46.8	46.8	100.0
	Total	77	100.0	100.0	

**Table 5.8 Loans**

The study determined that most of the respondents had taken out loans and been unable to pay back due to gambling losses. This later resulted in either being listed or having unworthy credit worthiness.

##### 4.5.6.2 Contemplate suicide.

**ContemplateSuicide**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	15	19.5	19.5	19.5
	No	62	80.5	80.5	100.0
	Total	77	100.0	100.0	

**Table 5.9 Suicide contemplation.**

The study determined that most of the respondents had never contemplated suicide due to issues with gambling.

#### 4.5.6.3 Warning from work.

**SourceOfIncome \* WarningFromWork Cross tabulation**

Count

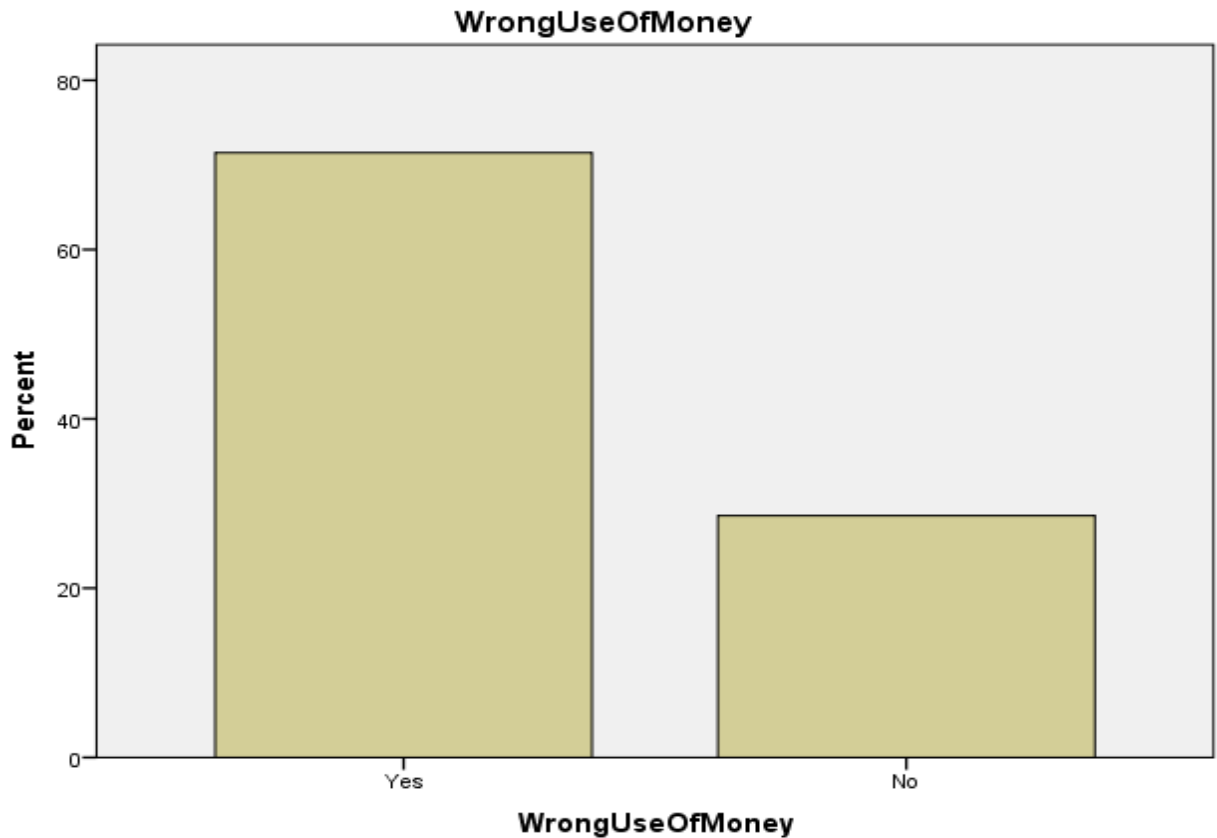
		WarningFromWork		Total
		Yes	No	
SourceOfIncome	Full time emolument	9	5	14
	Part time employment	5	7	12
	Self employed	2	11	13
	Unemployed	0	5	5
	Student	0	33	33
Total		16	61	77

**Table 6.0 Warning from work.**

It was noted that most of the full time employed persons had indeed received warning from work due to gambling at 64.3%. A majority of part time employed persons had not received any warning from work at 58.3% while those who had received warning stood at 41.7%. 84.6% of self-employed persons had not received warning from work while 15.4% had not received such warnings from work. In total 41% of person who were involved in work had received warning from work due to gambling while 59% had not received warning from work.



#### 4.5.6.4 Wrong use of money.



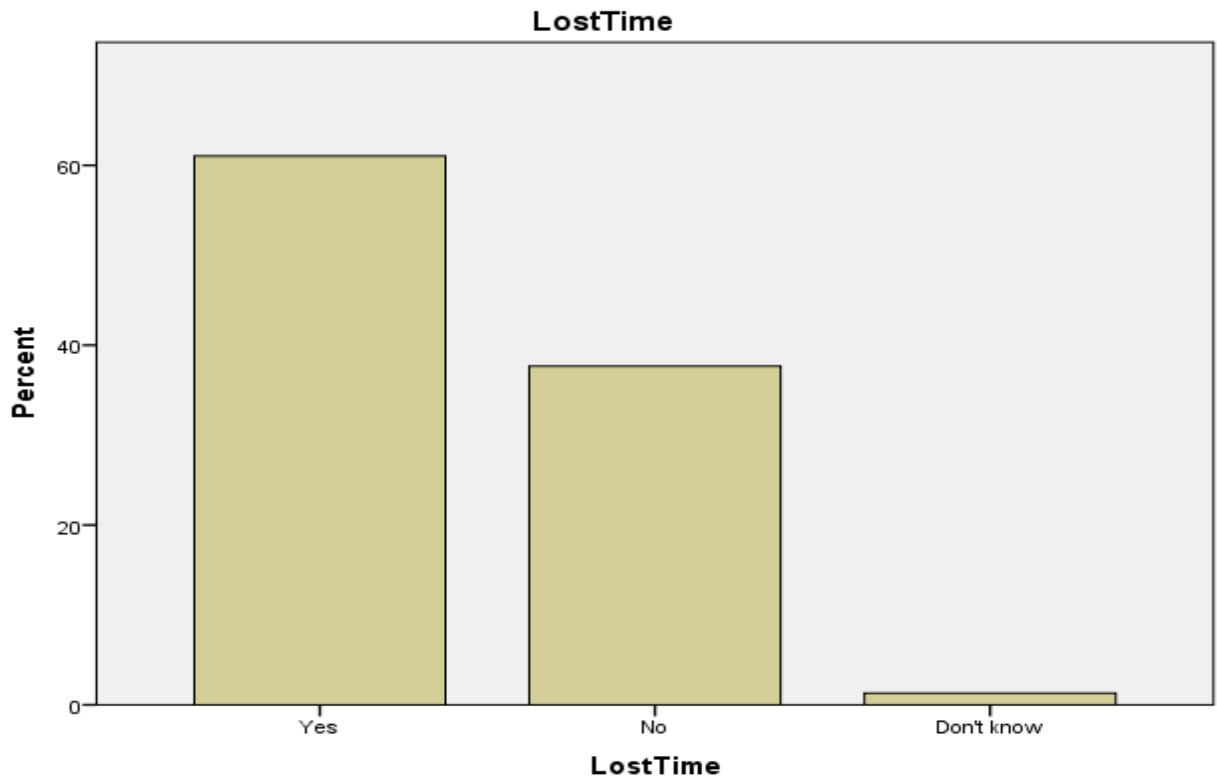
**Figure 4.8 Wrong use of money.**

The study found that 71.4% of the respondents had at one point in time wrongly used money/finances in the wrong way. This ranged from using money intended for other purposes to gamble and using of excess amount of money than the amount that had been initially set aside.

#### 4.5.6.5 Loss of time.

The study found that most of the respondents had indeed lost time due to engaging in their different forms of gambling at 61%. Time in this aspect was taken as spending of too much time on gambling platforms or using time meant for other activities on gambling. 37.7% of the

respondents had never lost their time due to activities that could be linked to gambling. 1.3% of the respondents didn't know if they at all had lost any of their time due to gambling.



**Figure 4.9 Time loss.**

#### 4.5.6.6 Medical help

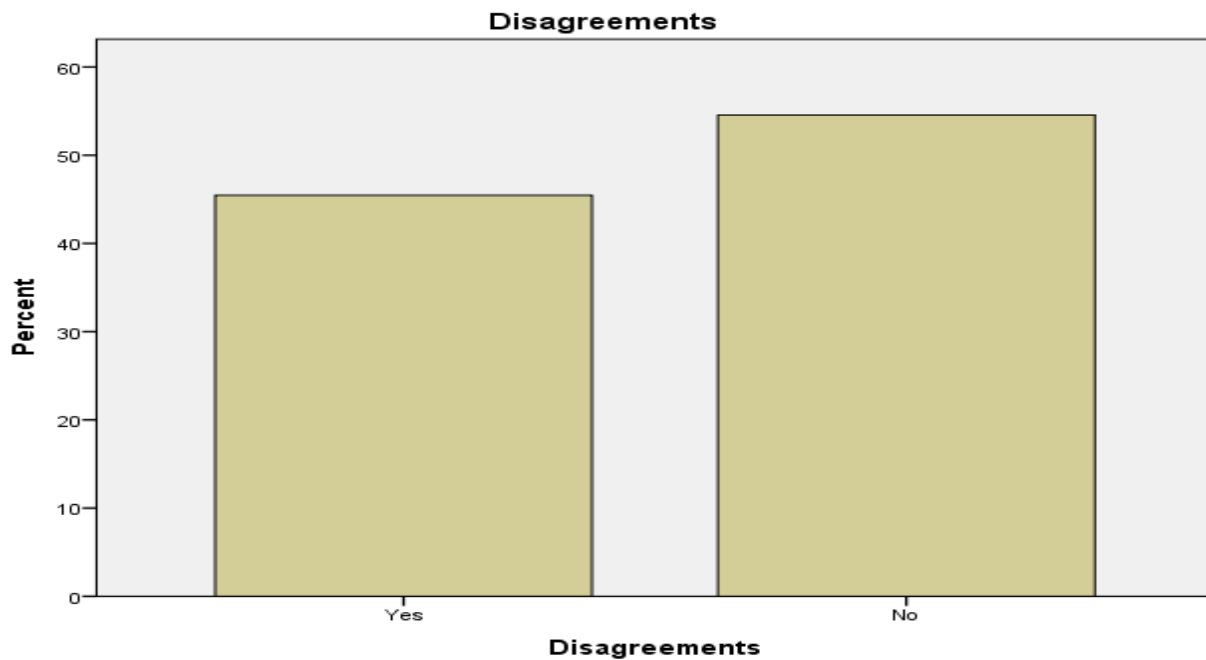
It was observed that most of the respondents had never sought medical help due to gambling issues at 97.4% while only 2.6% had ever sought medical help.

**Medical Help**

		Frequency	Percent	Valid Percent	Cumulative Percent
	Yes	2	2.6	2.6	2.6
Valid	No	75	97.4	97.4	100.0
	Total	77	100.0	100.0	

**Table 6.1 Seeking medical help.**

#### 4.5.6.7 Disagreements with friends and family.



**Figure 5.0 Disagreements.**

45.5% of the respondents had experienced disagreements with friends and family due to issues pertaining to gambling. 54.5% of the respondents had however never experienced any disagreements with friend or family due to their gambling.

#### 4.5.6.8 Illegal activities to finance gambling.

##### IllegalActivities

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	17	22.1	22.1	22.1
	No	60	77.9	77.9	100.0
	Total	77	100.0	100.0	

**Table 6.2 Illegal activities to finance gambling.**

It was observed that 77.9% of the respondents had not engaged in any illegal activities to finance their gambling while 22.1% had done so.

#### 4.5.7 General thoughts on gambling.

44.2% of the respondents agreed that indeed gambling had brought more harm than good in their lives. 26% were neutral as to the true impact gambling had on their lives while 20.8% strongly agreed that gambling had brought more harm than good in their lives. 7.8% disagreed that gambling had brought more harm than good in their lives while 1.3% strongly disagreed to ever having more than good in their lives due to gambling.

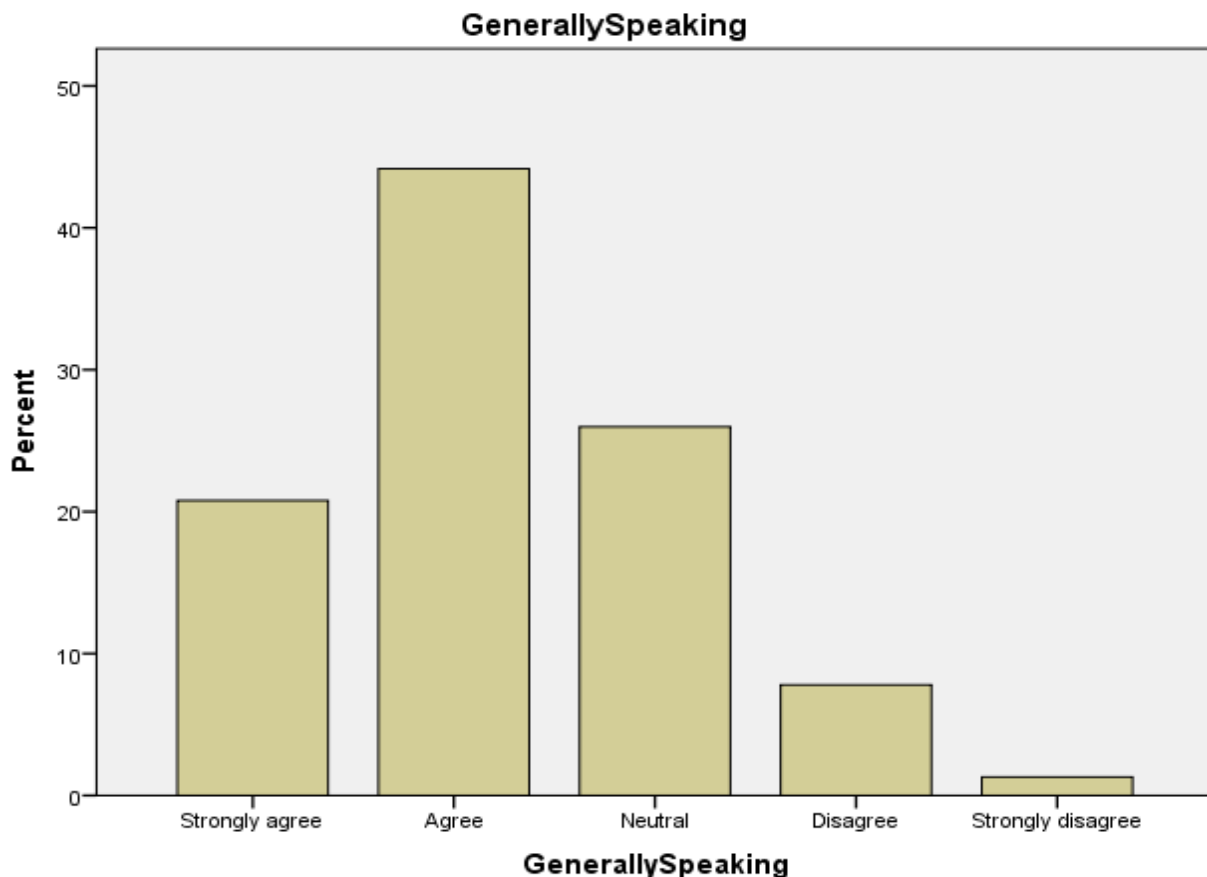


Figure 5.1 General thought on gambling

#### **4.6 Chapter Summary.**

This chapter has presented the findings of this study based on the research questions of the study.

Findings are based on data collected and analyzed using SPSS.

Chapter five below presents the discussion of findings, summary of findings, conclusions.

## **CHAPTER 5**

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### **5.0 SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Introduction.**

This chapter presents the findings of the study discussed. In addition, the chapter presents the conclusions of the study and recommendations for the study and further studies.

#### **5.2 Summary.**

The general objective of this study was to make an assessment of the welfare implications that gambling had on the lives of residents of Nairobi. The specific objectives of the study were to assess the prevalence of gambling among the residents of Nairobi. Establishment of the most desired form of gambling amongst the county residents. Finding out the frequency of gambling by the Nairobi residents. Establishment of the motivation to gamble by the county's residents and examining the welfare implications of gambling on the Nairobi residents.

To achieve these objectives, the study utilized a descriptive research design using quantitative research approach. The population of the study was drawn individuals who both engaged and didn't engage in various forms of gambling within Nairobi County. Collected data was analyzed using SPSS using descriptive statistics of frequency distributions, means and modes. Analyzed data is presented using tables and figures.

It was discovered that there was a prevalence of 78.6% prevalence of gambling amongst Nairobi residents. This means that at-least 7 in 10 Nairobians are constantly engaged in gambling. The study also found out that most of the people whom engaged in gambling were mainly young people ranging from 10-30 yrs. of age. In addition, students constituted the highest number of

gamblers within the county. Single people were also observed to be more engaged in gambling as compared to those who were married.

Most of the county residents were mostly engaged in sport betting, this was mainly engaged in by the young people who constituted the largest number of gamblers in the population. The young people also majorly consisted of persons who engaged in slot machines and the other form of gambling, it was also noted that young people were involved in all forms of gambling as opposed to the other age groups. The different gambling form each had a difference in the type of people who engaged in them, casino gambling was mainly constituted by the older people, lotteries was mainly practiced by the middle aged people. In addition, the main source of gambling money was salaries and other work allowances amongst the respondents.

The study found out that the frequency of gambling was dependent on the form of gambling that respondents engaged in. Respondents who engaged in casino gambling mainly engaged in gambling once a week, those who engaged in sport betting mainly did so once a day while those who engaged in lotteries did so once a day and a few times a week. Those who engaged in slot machine gambling mainly did so once a day and a few times a week while the respondent who engaged in pool table and cards gambling did so, on a daily basis.

The main motivation to gamble by the city residents was monetary gains. The availability of funds to engage in gambling also proved to be a huge influence to the gambling patterns of most of the residents.

To ascertain the welfare implications, the study focused on looking at the financial implications and the social costs that gambling posed to the respondents. On financial implications the study sought to look at the financial spending to financial gain that was brought by the gambling, it

was discovered that returns to gambling were lower than the inputs to gambling. The social costs were measured through a series of questions asked to the respondents with the frequency of the answers being used as a measure to determine the social cost gambling had imposed on the respondents.

### **5.3 Discussions.**

#### **5.3.1 Financial implications of gambling.**

This study discovered that gambling wins were lower than the spending. This was evident where; for approximately every 1400shs only 900shs was realized. Sport betting, which accounted for the largest amount of betting wins only had persons winning between 1-1000ksh, this even a most people would stake more than these amounts.

Casino gambling which accounted for the largest amounts of money placed as stake didn't necessarily translate to higher wins. Lottery gambling didn't account for much winnings, it recorded the lowest amounts of wins with some respondents claiming not to have won a thing. This could be attributed to the fact that lotteries mainly have huge winnings but give to a very limited to a small number of people. Slot machines and the other gambling forms also were found out have no returns at all, this is because most people only won the monies that were used as stake.

#### **5.3.2 Social implications of gambling.**

A closer look at some of the social cost that gambling posed, the study found out that most of the respondents mainly experienced not paying loans due to gambling losses, loss of their time due to engagements on matters concerning gambling, wrong use of money.



Warning from work, medical help, disagreements with friends and family, illegal activities due to finance gambling didn't have a high frequency of respondents who claimed to have experience them. It is however important to note that whereas there was a disparity with the answers, it was noted that the disparity is very small, especially with regard to questions on warning from work and disagreements with friends and family.

#### **5.4 Conclusions.**

The study determined that the financial implications that gambling caused on the lives of the respondents was that of a negative nature. If compared to production economics, then there would be negative returns to scale. As such it can be concluded that gambling posed negative financial welfare effects.

Gambling also generally caused negative social cost to those who engaged in it.

In general, the study found out that the total welfare implications on the lives of the respondents was negative. Gambling only served to worsen the financial position of the respondents and also their social lives and well-being.

#### **5.5 Recommendations.**

There is need by government to put in place better reforms in the gambling sector not just as a means to get more taxes. It is appreciated that through the banning of unregistered slot machines, there was less involvement, especially by the young people in the country.

The government, through the BCLB should sensitize the public on the true effect that gambling poses, this should be done in a much better way other than giving a simple statement warning on all gambling advertisements.

Betting is a major cause of concern for men aged between 10-30yrs. Old especially those who are still students. Consequently, this study recommends for targeted mass education of consumers with a special bias for the male students especially those in institutions of higher learning. This responsibility can be taken up by government, private sector companies and the respective gambling players.

#### **5.5.1 Recommendations for further studies.**

This study recommends a further study into the impact that gambling posed to the economy as a whole, this is to further push the study of the welfare implications that gambling pose to individuals who are constantly engaged in it.

This study recommends further quantitative study into the rue effect that gambling poses to individuals. This would require having an in depth analysis of various house-holds real consumption, utility and efficiency indexes

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## **APPENDIX.**

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### **QUESTIONNAIRE.**

#### **SECTION A:**

1. **Age:** [    ]
2. **Gender:** Male [    ] Female [    ]
3. **Religion:** Pentecostal [    ] Catholic [    ] Muslim [    ] Others [    ]  
No religion [    ]
4. **Relationship:** Married [    ] Single [    ] Divorced [    ]
5. **Education:** Primary [    ] Secondary [    ] Tertiary/ College [    ] University [    ]  
Post-Graduate [    ]
6. **Source of income:** Full time Employment [    ] Part time employment [    ] Self-employment [    ] Currently unemployed [    ] Student [    ]

#### **SECTION B:**

1. Do you engage actively in any form of gambling? YES [    ] NO [    ]
2. Which form of gambling do you constantly engage in?

Casinos	Sport betting	Lotteries	Slot machines	Others

If other, please specify \_\_\_\_\_

3. What is your frequency of engaging in gambling?

	Casinos	Sport betting	Lotteries	Slot machines	Others
A few times a day					
Once a day					
A few times a week					
Once a week					
Rarely					

4. What influences your frequency to gamble? (Tick one)

Ease of access to gambling points	
Availability of funds to stake.	
Availability of events to gamble on (sport games)	
Advertisements on new ways and sites to gamble	
Dependent on the day of the week/month	



5. What motivates you to continue gambling?

Money	Enjoyment	Boredom	Cannot live without gambling	Other

If others specify:

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6. What is your main source of gambling stake?

Salaries and work allowances	Student allowances	Loans(bank loans / mobile loans)	Others

If others specify:

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7. What is the average amount of money used (in Ksh) used for stakes on a monthly basis.

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8. What is the frequency of winning on stakes placed?

Always	Sometimes	Rarely	Never

9. What is the average amount of winnings you get in a month?

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10. What is the main use of your gambling wins?

More gambling	Entertainment	Catering for basic needs.	Savings	Investments

11. Which of the following have happened to you as a direct influence of engaging in gambling?

	Yes	No	I don't know
Have you ever taken up a loan for gambling and not been able to pay for it due to a loss			
Have you ever contemplated suicide or harming yourself due to losses from gambling?			
Have you ever received warning from work due to gambling?			
Have you ever used money intended for important issues (i.e. food education, work) for gambling?			
Have you lost time from work or school work due to gambling?			
Have you ever been involved in a disagreement with friend or relatives due to gambling?			

Have you ever sought medical help to help cope with a gambling addiction?			
Have you ever engaged in illegal activities to help finance your gambling?			

Have you experienced any effects aside from the ones listed above as a result of gambling?

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12. Generally speaking, has gambling brought more harm than good since you began engaging in it?

Its brought more harm	It has brought more good	I don't know