

SATTA-HI-SATTA: - Deconstructing the Gamble

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Legalized Betting will not only curb match-fixing but would bring in tax revenues for the government.

Money- making is nothing new to cricket. In fact anything that includes cricket has money tagging along it. What better example than the IPL? And what else tags along the popular sport like cricket in India is the thriving business of betting and match-fixing. Not long ago were three Pakistani cricketers banned for match fixing? Is there any way to fix this or not??

The answer is Yes – legalize gambling in India for cricket. Legalizing betting would help the Government to keep track of the transfer of funds and even use the revenue generated for public welfare.

The biggest reason why this should be done is minimizing betting doesn't prevent it happening! What banning anything achieves is only driving that activity underground and hence in the playground of criminal elements. Betting thus has become a lucrative option for criminal elements, where money can flow between gambling, drug mafia and even terrorism. Legalizing betting and other forms of gambling would not only bring all this activity out in the open and minimize, if not eliminate, the underworld role, it would also mean that the government shall be able to raise substantive tax revenue from it. It would mean turning Black money into white. It would also mean, bringing back the money now going into countries where Gambling is legal.

A good model for us to follow is of Britain; the world's most liberalized market and the smallest black market for betting. There an independent body, The Gambling Commission, regulates Britain's thriving industry including bingo, casinos, lottery; scratch cards and of course, sports. The UK earned Rs. 10,000 crore in tax revenues from the gambling sector. The size of this sector is roughly equivalent to 1% of the GDP in most European Union member states. For India, that means a revenue of Rs. 62000 crore. This being more than the Rs.7,594 crore tax collected under the amnesty voluntary disclosure of income scheme in 1997-98.(Inclusive of adjustment for inflation). Also legalizing betting shall have a reduced incentive for match – fixing too.

Legalising will have to be supplemented by sufficient Regulation. This is exactly what the UK for instance does through the Gambling Commission mentioned earlier. Hence, it makes sense to take gambling out of the illegal rooks and crannies in the underground but, make it a legitimate, regulated tax paying Business.