



Financial Literacy of Indonesian Society as an Effort to Face the Online Gambling Crisis

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Abstract. Online gambling will become a national crisis in 2023 which will harm Indonesia in the economic sector. The implications of the online gambling crisis begin with people's behavior in managing problematic finances, which has an impact on the economy and society. Therefore, there is a need for financial literacy to resolve this national and individual crisis. The aim of this research is to determine the role of financial literacy in overcoming the online gambling crisis. The research uses qualitative methods with a literature study approach. The research results show that the financial literacy of the Indonesian people is still lacking. Data obtained in 2023 total online gambling transactions amounted to IDR 200 trillion, with IDR 27 trillion contained in transactions from one online gambling account each year or IDR 2.2 trillion each month. Online gamblers using various methods to obtain capital, from using savings to committing crimes such as embezzlement or robbery. Knowledge of financial literacy will help people manage their finances well and of course will minimize other potential crises in the future. The conclusion of this research is that financial literacy is a capital of knowledge for the community in an effort to anticipate experiencing a financial crisis and avoid online gambling.

Keywords: Online gambling; Financial crisis; Financial literacy.

1 Introduction

The internet can be accessed on various types of technology such as computers/laptops, smartphones or smart televisions. The internet has become part of people's lives. Current developments in information and technology facilitate the development of forms of gambling games such as online gambling, mobile phone gambling and interactive telephone gambling [1]. The online gambling phenomenon is currently widespread in Indonesia, both adults, men and women, teenagers and even children. The online gambling crisis in Indonesia in 2023 is a very significant phenomenon and has a broad impact on the economy and social society. Based on the data obtained, online gambling turnover in Indonesia will reach IDR 327 trillion in

2023, with around 168 million transactions carried out. This shows that online gambling has become a very large and influential industry in this country.

This is certainly very worrying considering gambling online has become a disease in our society. Play gambling online In general, it creates an addiction that consciously or unconsciously plays on a person's psychology by thinking that the more deposits or investment of gambling capital, the more results they will get. Having huge profits in a short time is of course a very tempting attraction for gamblers online. Even though he is addicted to gambling online can cause depression and other mental disorders, even suicide. Gerindra Fraction DPRD member Setyoko read out research obtained on 25 September – 27 October 2023, and proposed to build a Regional General Hospital (RSUD) for people who are addicted to gambling online.

According to Kartono [2], gambling is deliberate betting, namely risking a value or something that is considered valuable by being aware of certain risks and expectations in the events of games, matches, competitions, and events whose results are not or are uncertain. The uncertainty of the results gives rise to many dreams which sometimes fail to meet expectations and gives rise to different tensions in each gambler. Of course, the spread of online gambling is also influenced by the high number of enthusiasts as well as low awareness and difficulties in enforcing the law itself. Technology makes it easy for people today to carry out various online activities, so online gambling has spread due to the influence of advertising and social media. Apart from that, online gambling operators also develop sophisticated technology and software to hide their tracks, namely by using strong encryption methods and Virtual Private Network (VPN) services to hide their physical location. Cyberpsychology Observer, University of Muhammadiyah Malang (UMM) Aransha Karnilla Nadia Putrim, S.Psi., M.Sc. said that a person's involvement in online gambling is closely related to cyber psychology, aka social psychology. There are several factors that make online gambling widespread in Indonesia and difficult to eradicate, according to cyber security observer and Chairman of the Cyber Communication and Information System Security Research Center (CISSReC) Pratama Persadha Cyber Research Institute, including: (1) Economic factors (want to get money quickly and easily); (2) Entertainment factor (to get fun and fill free time); (3) Social factors (traditions or cultural habits); and (4) Technological factors from the influence of advertising and social media.

According to a finance lecturer from Coventry University, England, Rayenda Brahmana, gambling online is also a global problem. In fact, in countries where gambling is legal. Just like drugs or alcohol, gambling can also cause addiction by affecting the releasing part of the brain dopamine which is a hormone that creates feelings of pleasure and appreciation. Indirectly gambling online makes people do various reckless things. A gambling addict will do anything to get money to play, from using savings to committing theft. In fact, a man in Tarakan, North Sumatra embezzled the dowry money for marriage for gambling deposit capital online, this is just one case. There are still many cases of embezzlement of money committed by perpetrators for gambling online, this was also done by an employee in Magelang who embezzled 1.1 billion in company money as betting. People's problematic behavior in managing finances is one of the main causes of the online gambling crisis.

Many people use their savings or commit crimes such as embezzlement or robbery to obtain capital for gambling. This not only harms individuals but also has an impact on the national economy.

The Indonesian government has taken several measures to address the online gambling crisis. The Minister of Communication and Information, Budi Arie Setiadi, has stated that the government has closed 2.6 million online gambling sites, which is expected to save IDR 45 trillion. Apart from that, the government has also submitted a request to block 573 e-wallet accounts related to online gambling to Bank Indonesia and handled 23,616 gambling page inserts on government agency websites. However, although some measures have been taken, the online gambling crisis has still not been completely resolved. Lack of financial literacy among Indonesian society is one of the factors that worsens this situation. Research using qualitative methods with a literature study approach shows that the financial literacy of the Indonesian people is still very low. The data obtained shows that the total online gambling transactions amount to IDR 200 trillion, with IDR 27 trillion in transactions from one online gambling account each year or IDR 2.2 trillion each month.

Of course, those who are addicted to gambling will use various methods online starting from making a loan online (pinjol) for gambling capital, as stated by the Chairman of the Task Force for Eradicating Illegal Financial Activities (Satgas PASTI) of the Financial Services Authority (OJK), Sarjito. Apart from that, in a study conducted in Katinang Regency, it was found that many people were willing to sell property, divorce, and commit criminal acts such as stealing, robbery, violence. In some of the results of this research, there are several factors in online gambling that cannot be abandoned by gamblers. online namely bonuses jackpot from a bonus of 100x to 1000x the winnings promised by the city. In online gambling there is also a psychological bias which can influence excessive passion for betting (obsessive passion), which leads to gambling addiction, like: (1) Hot-hand fallacy, namely the belief that victory will occur and if you ever feel that victory, your belief will grow even bigger. This is one of the theorems in the framework of the gambling operator's business model by allowing gamblers to win several times, then after that they are made to lose. (2) Gambler's fallacy. This bias encourages players to keep betting because of the perceived chance of winning jackpot increasingly increasing after losing repeatedly. They feel confident that the number/color/image they are betting on will definitely appear because it has never appeared before; (3) Illusion of control or the illusion that the gambler has control of the game in order to continue betting. For example, they let new gambling account owners earn winnings at the start to stimulate more bets.

The forms of online gambling. Forms of online gambling that are widely known to the public include: a) Casino; b) Poker; c) Domino QQ; d) Online soccer betting; e) Capsa susun; f) Virtual sports; g) E-games online betting; h) Number games; i) Online ceme dealer; j) Black Jack gambling agent; k) Togel l) Slots. In Indonesia itself, there is a gambling addiction online every year it becomes more and more rampant. From 2001 to 2006 there was an increase in online gambling activity of almost 30% along with advances in information technology. According to the Minister of Communication and Information, the annual loss to society is predicted to be 27

trillion Rupiah. Ivan Yustiavandana as head of PPATK made efforts to save assets (asset recovery) by freezing the account used by the gambler online. The mode used by doing sponsorship to a football club, with promises of various things to attract the interest of potential investors.

Early 2022 – June 2022 PPATK will temporarily suspend accounts related to illegal investments from forex to binomo. Based on accounts analyzed by PPATK, the turnover of online gambling money in 2021 is IDR. 57 trillion, and 2022 January – August amounting to IDR. 69 trillion. Termination of accounts indicated as gambling transactions during 2022 – early September 2022 Rp. 850 billion. From the beginning of 2023 until now the total number of transactions in Indonesia has reached IDR 200 trillion. The number of accounts blocked by OJK as of 21/09/2023 was 201 accounts blocked and 1,931 processed. From 2018 to July 2023, 846,047 online gambling sites have been blocked. The Ministry of Communication and Information (Kominfo) from 18 July – 18 October 2023 has executed the termination of access to 425,506 gambling content, namely 237,098 content originating from internet protocol IP address sites, 17,235 content from file sharing, and 171,175 content from social media.

Table 1. Total Money Circulation in Indonesia

2021	Rp. 57 Trillion
2022 January - August	Rp. 69 Trillion
2022 - September	Total 850 billion
Early 2023- September	Total 200 Trillion

(source: PPATK, 2022)

The promotional factor cannot be separated from the addiction of Indonesian people to gambling online. Many promotional media are carried out, both in a popup website, ad breaks on streaming shows and even work contracts with players influencer social media. The range of amounts of money offered on contracts in gambling promotions online Of course it's very tempting so... influencer willing to carry out promotions either openly or covertly on game content that is widely played online. Like influencer “Crazy Mother” for motorbike racing content in the range of IDR 2.5 to IDR 7 million.

Apart from that, this is also what many influencers do to get tempting extras every month. Gambling promotion online It also appears in SMS and WhatsApp groups, so it cannot be denied that repeated advertisements make most people interested and curious so they try to download, open and start gambling. online. This is what then triggers people to play gambling games online This is what over time becomes

addictive and causes various negative impacts which of course will be different for each person.

Informal Law Number 9 of 1981, the government has limited the granting of gambling permits, which means that various types and types of gambling are illegal activities and can depend on the criminal authority whose implementation is handled. according to criminal procedural law. Gambling is prohibited in Article 27 paragraph 2 in conjunction with Article 45 paragraph 2 of the Information and Electronic Transactions Law (UU ITE). "Parties who intentionally distribute or make online gambling accessible are threatened with imprisonment for a maximum of 6 years and/or a fine of a maximum of IDR 1 billion." Paying attention to the formulation of Article 27 paragraph (2) of the ITE Law, the elements of the article are as follows: (1) The subjective element is each person intentionally and without rights. The elements intentionally and without right are one unit that must be proven by law enforcers. The element intentionally and without rights means that the perpetrator consciously wants and knows that his actions are carried out without rights. Without rights is an element against the law; (2) The objective elements are: Distributing, Transmitting, Making accessible electronic information and/or electronic documents that contain gambling content.

2 Method

This research uses a literature study method with a qualitative approach by collecting data from various sources such as articles, research results and news discourse to understand the financial literacy of people who are addicted to gambling. online. Arikunto [6] states that descriptive research is collecting data based on factors that support the research object, then analyzing these factors to find their role.

This method was chosen because this research aims to gain insight into the role and efforts of the government and various related parties in fulfilling their citizens' understanding of financial literacy. In this research, bibliography analysis was carried out and reliable facts and data were collected.

3 Result and Discussion

3.1 Providing Financial Literacy

The national financial literacy and inclusion survey (SNLIK) conducted by the Financial Services OJK [7] shows that the financial literacy index of Indonesian society is only 49.68%, which means that only a portion of Indonesian society has good financial literacy. Financial literacy in question includes abilities, skills, self-confidence that influence a person's financial behavior in the context of decision making and self-management to achieve financial welfare goals. This is in line with research which states that there is a relationship between the influence of the level of financial literacy on financial behavior [8]. The benefits of learning financial literacy for this community include: (1) Can be responsible for selected financial decisions;

(2) Avoid choosing financial instruments that have clarity; (3) Have the ability to plan and manage finances better; (4) Able to choose and use financial products and services according to needs. Financial literacy in Indonesia itself has four levels according to Financial Services Authority (OJK) [9], namely: (1) Well literate: public have knowledge about financial service institutions and financial service products, including features, benefits and risks, rights and obligations of financial products and services, and have skills in using financial products and services; (2) Sufficient literate: the public has knowledge and confidence about financial institutions and products and services, including features, benefits and risks, as well as rights and obligations related to financial products and services; (3) Less literate: public only have knowledge about financial service institutions and financial products and services. (4) Not literate: The public does not have knowledge and confidence in financial service institutions and financial products and services. Apart from that, they also do not have the skills to use financial products and services.

The importance of financial literacy for society is for [10]: (1) Know more about various financial products, the first importance of financial literacy is that people become more aware of various kinds of financial products. The wider their financial knowledge, the more familiar and familiar people will be with financial products on the market. After knowing this, people will be able to enjoy the benefits of each financial service. (2) Know How to Use Financial Products to Improve Welfare, furthermore, the importance of financial literacy is that people know how to utilize and use financial products. After having sufficient insight regarding financial products and services, people will dare to try enjoying financial products. Additionally, they will select and consume financial products and services based on their needs; (3) Improved Standard of Living, if people are able to skillfully utilize financial products and services, then the standard of living will increase. The public becomes aware of efficient and wise financial planning and management. They will get to know investments and learn to see opportunities for additional income; (4) Avoid Fraud, the fourth point about the importance of financial literacy is that people avoid fraud. When people have adequate knowledge regarding financial products and services, they will not be easily deceived by detrimental products such as fake investments, Ponzi schemes, monkey business, and so on; (5) Wealth Distribution Becomes More Equal, lastly, the importance of financial literacy is that the distribution of wealth becomes more even. Utilization of financial products and services results in funds from the community being collected and redistributed within society. People who have excess funds will save them in financial products and institutions to make a profit. The funds will then be distributed to those in need (for example for credit, business loans, and so on). In this way, everyone has access to achieve equal prosperity so that wealth is more evenly distributed.

3.2 Gambling Promotions Online On Social Media

As of 2017-2022, according to a report from the Head of PPATK, Ivan Yustia Vandana, there are 2.7 million gambling players online with fund turnover having reached IDR 190 trillion. This amount comes from 887 bookie networks and

156 million illegal transactions. The majority (2.1 million people) who bet with a nominal value of under IDR 100,000 are people with low incomes. With an average profile of students, university students, employees and housewives. Gambling game online The most popular among students is slot gambling online, with various factors influencing its popularity. The account @christopher***, telling his personal experience on platform X, said he saw junior high school boys gambling online. He also asked how they knew about this game and they answered from the YouTube channel which contains Mobile Legend content. Based on data from the Demak Regency All Indonesian Teachers Association (PGSD), it was stated that around 12,000 students played game online sponsored by gambling online, apart from that, around 2,000 students directly access gambling online.

3.3 Gambling Payment Transactions Online

The small deposit rate of around IDR 50,000 is an attraction for people who want to try gambling online. In some cases, deposit payments can be made using a digital wallet, payment using QRIS, master card and/or visa card and transfer to a bank account. The evolution of technology has made it easier for people to gamble online. Here's the technology that makes gambling possible online increasingly popular [11]: (1) Smartphone; (2) Various payment options, such as credit cards and prepaid. Players can use Visa credit cards, Mastercard, or American Express. Cryptocurrency is the newest way in payment methods. A digital currency secured through cryptography and used in conjunction with blockchain technology makes it an exciting new payment method; (3) Technology Blockchain, which is a large, shared, immutable notebook that records any transaction, whether physical or digital goods. These records are stored on several computers connected together without a central server. Network platform blockchain decentralized ones introduce more transparency with cryptocurrency while keeping sensitive player information secure: (1) Service Cloud/Cloud Gaming; (2) Casino Games Live, like Blackjack, Roulette, and Baccarat.

3.4 Gambling Online In Students And Adolescents

In a study, it was stated that the role of peers in student slot gambling players online is in the high category. The results of research from this scientific journal show the positive influence of the role of peers on gambling intention amounting to 0.526, with a significance value of $0.00 < 0.05$. It is known that the role of peers has the highest influence on determinants perceived behavioral control of 0.390, followed by determinant subjective norms of 0.380 and attitude towards behavior of 0.292. The results of other research state that the psychological development of adolescents in Lojikobong Village, Sumerjaya District, Kab. Majalengka is addicted to gambling online have bad developments such as: (1) Teenagers experience unstable emotions, such as irritability, anger, sadness and depression; (2) Teenagers easily suffer from anxiety disorders; (3) Teenagers experience very deep sadness; (4) Teenagers have difficulty sleeping; (5) Teenagers experience depression; (6) Teenagers have

difficulty controlling themselves: (7) Teenagers find it difficult to socialize with their surroundings; (8) Teenagers have a bad and rude personality.

4 Conclusion

Economic factors, such as efforts to earn additional income or overcome financial difficulties, may also encourage participation in online gambling. Bonuses and incentives offered by online gambling operators also become an attraction, creating an attractive environment for players. Financial problems that arise from online gambling, such as debt and savings. Online gambling can be addictive, what you win at first will end up being bankrupted by the bookie. People who are addicted to online gambling dare to spend a lot of money even though they have experienced consecutive losses. They hope to get a big win in the next game. But in the end what they get is debt, loss of savings, and even property.

The main cause of the emergence of the online gambling phenomenon is the behavior of people who are trapped in it fear of missing out (FOMO). Namely, he likes to join in but doesn't know the urgency and impact. So there is a need for a good understanding of financial literacy among the public, because middle to lower economic class people tend to think short term. Some problems caused by online gambling games: (1) Impact on social values, such as preferring to spend time in front of a screen rather than with other people; (2) The implications for the economy, online gambling can cause someone; (3) Running out of money, because people who are addicted to playing online gambling will ignore their basic needs in order to gamble

Gambling is good online nor offline Of course it is not permitted and violates the law in Indonesia. Gambling addiction is actually not only experienced by people who have poor financial literacy, both from lower middle economic groups and upper middle economic levels, but because of a lack of moral understanding and the community's own belief in applicable norms and religion.

The government should understand literacy from an early age in Indonesian society. We can follow the example of Denmark, whose financial literacy has reached 78%, thus enabling its people to have better financial management. Apart from that, related parties can also help in implementing financial literacy both in daily learning for school-age students and in outreach at village/district and sub-district offices. It is hoped that increasing public understanding of financial literacy will certainly improve the community's economic prosperity independently.

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