

Analysis of the Factors Influencing the Regulation of the Gambling Market in the Republic of the Congo

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Abstract

After more than decades of existence, the gambling market (JHA) in the Republic of the Congo, initially operating as a monopoly and then opening up in the 2000s, underwent substantial reform in 2024 with the adoption of Law 37-2024 of 11 October 2024 regulating the gambling market in the Republic of the Congo. This market is shared between the Congolese Lottery Management Company (COGÉLO), 90% of which is owned by the State and 10% by the Congo Assistance Foundation, and several private operators. In this article, we attempt to analyse the factors that led the Congolese state to regulate this market, drawing on descriptive statistics derived from the results of a survey conducted among a sample of 1038 bettors/players, thirty-four (34) gaming operators and fifty-five (55) local authorities, as well as data from the literature. It should be noted that this law served as a basis for the State to understand how the sector operates.

Keywords

Gambling, Regulation, Governance, Republic of Congo

1. Introduction

By respecting competitive mechanisms, public interventions in the market help to impose discipline on the behaviour of firms in order to improve their functioning, by addressing some of their shortcomings (Janin, 2011).

Prior to the adoption of Law 37-2024 regulating the gambling market in the Republic of the Congo, this market was characterised by malfunctions and shortcomings. Through this law, the State hopes to rectify this situation. By intervening in a given economic sector, the State regulates it to make it efficient, in light of the

observed limitations of self-regulation. This intervention by the public authority in a sector that had been operating for over thirty years, with a view to correcting its imperfections, is an example of the limitations of the “invisible hand” theory (Smith, 1776), which is based on the premise that the market is the most effective means of regulation in existence, whereby each actor’s pursuit of their own interest leads to the common good.

However, this state intervention in the market must be carried out in accordance with the law, respect for property rights, honouring of contracts, and the impartiality and effectiveness of judicial decisions. The regulatory state thus becomes inseparable from the neoliberal perspective, making the interplay of market mechanisms an essential element of economic dynamism (Chevallier, 2004).

According to this author, such intervention must in no way be detached from the competitive process but rather contribute to restoring the conditions for satisfactory competition when a market imperfection is identified.

Through regulation, the state remains present in the economy, but in a different way: its role consists of supervising economic activity, by establishing certain rules and intervening on an ongoing basis to ease tensions, resolve conflicts and ensure the maintenance of an overall balance; Through regulation, the State therefore no longer acts as a player but as an “arbitrator” of the economic system, confining itself to setting rules for operators and striving to harmonise their actions (Chevallier, *op. cit.*).

In most economies, whether developed or developing, from a legal perspective, the gambling sector has often operated under state control, either in the form of a competitive monopoly with partial liberalisation. This allows the public authorities to “keep an eye” on what is happening.

According to the literature, three key factors generally justify this oversight, namely: (i) the sector’s proven growing profitability; (ii) the public safety risks inherent in gambling, exacerbated by the presence of an illegal market; and (iii) public health risks arising from addiction.

From an economic theory perspective, the gambling sector is a contestable market in the sense defined by Baumol, Panzar and Willig (1983); it is characterised by the presence of multiple operators of all types (public and private). This leads, on the one hand, to significant changes with all that this entails in terms of the risks faced by all countries; and, on the other hand, to the emergence of innovative products resulting from globalisation, such as sports betting.

In light of these characteristics, the central argument of our article is based on the premise that, as this market has demonstrated weaknesses and dysfunctions that render it inefficient and vulnerable to the risks inherent in gambling, its regulation by the state is the most appropriate means of ensuring its optimal functioning, guaranteeing fair competition and protecting the interests of all stakeholders.

Consequently, Keynes’s approach—which has always advocated state intervention and a strengthening of the relationship between the market and the state so

that the latter can correct market failures—is reinforced.

We start from the hypothesis (Stigler, 1971) that market regulation finds its foundation in its theoretical justification and its legitimacy in the belief that an optimal economic situation can only result from the perfect functioning of markets.

The idea developed here is that regulation serves as a substitute for the competitive forces of the market in situations where these are absent or weakened due to failures, malfunctions and externalities that render the market ineffective. In the sense of (Balleissen & Moss, 2010), these conditions constitute sufficient justification for government intervention.

The rationale behind such an approach lies in the need for the Congolese government to address the shortcomings and imperfections associated with the potential exercise of market power by firms in monopoly or oligopoly situations.

In the absence of such a provision, market prices would be set at an abnormally high level, reducing both demand and competition due to the barriers to entry that may be erected, thereby generating supernormal profits (Alleman & Ropoport, 2005).

Consequently, sectoral regulation, through the establishment of an Independent Regulatory Authority which acts as an incentive or governance mechanism, would help to improve the performance of firms and the sector by encouraging investment and technological innovation, and by ensuring the social optimum.

In this article, we seek to present and analyse the factors that led the Congolese state to regulate the gambling market. This analysis is based on the findings of a survey conducted in 2019 by NOOH on behalf of the Ministry of Finance and the Budget with a view to legislating for and regulating the sector. It was finally in 2024 that Law No. 37-2024 of 11 October 2024 on the regulation of gambling and games of chance was adopted by Parliament. However, to date (March 2026), no regulatory text (decree) has been issued, nor has any institution provided for by the said law been established.

Among the findings of this study, it is clear that the Congo's gambling market suffers from several shortcomings due to the lack of regulation; this also results in financial losses for the State.

Therefore, to achieve our objective, the main question we will seek to answer is as follows: what are the factors that characterise the dysfunction and contribute to the weakening of the gambling market, which led the State to adopt legislative measures aimed at regulating this market? From this question arises a second one, namely: what form of regulation could optimise the functioning of this market?

We have adopted a two-stage methodology. The first stage consists of a literature review of several studies relating to conceptual analysis and the importance of regulation in connection with our subject of analysis.

The second consists of an analysis of the factors identified by the field survey of the regulation of this market, using descriptive statistics.

The rest of the article is organised as follows. The first section presents a literature review on the need to regulate this market. The second section analyses the

shortcomings that prompted the Government to legislate on the legal framework for this sector.

2. Literature Review

Gambling involves staking money (or another object of value), with the possibility of obtaining a financial return from a game with an uncertain outcome (WHO, 2024).

In most countries, gambling is governed by legislation that organises and regulates the market in order to mitigate the risks inherent in such activities.

The Republic of the Congo was one of the few countries without such legislation, even though gambling had been practised for over three decades up until 2024. This legal framework for the sector is known as sectoral regulation. It comprises legal provisions that vary from one country to another and within a single country.

For Gérard de Bernis (1995), regulation is a set of measures, primarily administrative police measures, which enable the public authorities to intervene in the market to ensure competition and to require it to take into account external public interests (equality of citizens, accessibility, continuity, sustainable development).

Through this mode of governance, the public authorities abandon direct means of action on the economy (for example, price controls or public enterprises) in favour of legislation organising the economy, that is to say, regulating economic operators whilst guaranteeing them maximum freedom (de Bernis, 1995, *op. cit.*).

In an economic sense, regulation is defined as a wide variety of public interventions, generally sector-specific in nature, ranging from strictly economic measures (prices, quantities) to ethical rules applicable to a profession or the protection of privacy. It can also be understood as “the control of market power for the purpose of achieving economic efficiency” (Bacache-Beauvallet & Perrot, 2017).

This makes it a tool at the service of economic power, enabling it to create “a legal and regulatory framework that guarantees the protection of property rights and the enforcement of contracts, as well as the interests of all stakeholders, and to safeguard the general interest of the sector.”

The implementation of these measures is often entrusted to public authorities independent of the government, tasked with applying transparent and non-discriminatory rules within the framework established by law, to limit conflicts of interest, particularly with the state as a shareholder.

In this article, we seek to understand the factors that led the government of this country to ultimately regulate this market. For it must be acknowledged that gambling is not an ordinary business (Le Gall et al., 2018).

In the literature, several studies highlight these factors that justify the regulation of this market. These essentially involve the pursuit of objectives relating to stability, transparency and the protection of the interests of the various stakeholders in the sector (the State, State bodies, bettors/players and private companies). These objectives may take the form of various measures aimed at ensuring the

market functions optimally, such as the fight against money laundering, addiction, terrorism and the exploitation of workers, etc.

Regulation is all the more important given that, thanks to globalisation and technological advances—through the development of the internet and the falling cost of smartphones—the gambling craze now knows no borders (WHO, 2024). Gambling is available online and accessible almost everywhere, to all social strata worldwide, and at any time.

Furthermore, the profitability of this sector is growing steadily. According to the *H2 Gambling Capital* platform, a global market data provider specialising in the gambling sector and based in the United Kingdom, the global gambling industry generated USD 536 billion, of which 24.6% came from online gambling, with a projected growth rate of 7%. Revenue estimates by 2028 stand at over 700 billion US dollars, driven by smartphone usage in low- and middle-income countries. It should be noted that these figures from *H2 Gambling Capital* only account for legal activities, whilst illegal gambling is also thriving.

The African continent is not on the sidelines of this phenomenon, as according to the *SCCG Research* report entitled “*Research report on Africa’s Online Gambling Market*” dated 25 June 2025, revenue from the gambling market in Africa is expected to reach USD 20.43 billion in 2025; and revenue is projected to grow at a compound annual growth rate (CAGR 2025-2029) of 2.07%, resulting in a projected market volume of USD 22.17 billion by 2029.

Africa possesses several factors that make it a highly lucrative market for multinationals in the sector, such as the young age of its population, the majority of whom are unemployed. This is the case in the Republic of the Congo, where young people account for 70% of the population and are predominantly poor, according to the latest general census of population and housing.

For this section of the population, gambling offers an easy way out of poverty and precarious living conditions, as playing requires not only a mobile payment account and internet access (either on a phone or by visiting a retail outlet) but also the ability to pay one’s stake. To satisfy this clientele and boost their turnover, operators offer them innovative games driven by globalisation, leveraging the trio of the internet, mobile telephony and mobile payments, thereby constantly breaking down barriers to entry into this market and reducing the distance.

According to WHO forecasts, the average revenue per user (ARPU) in the market is expected to reach USD 116.56 by 2025, and the number of users is projected to reach 185.6 million by 2029. Whilst user penetration in this market is expected to reach 12.9% in 2025, Congo’s penetration rate is among the highest, hovering around 45% according to 2025 data.

The gaming market is a contestable market in the sense that it attracts all kinds of players wishing to benefit from its financial returns, provided they comply with the local regulations in force. The theory of contestable markets suggests that the expected effects of pure and perfect competition do not depend on the number of producers, but on the freedom to enter and exit such markets. For a market to be

classified as contestable, certain conditions must be met, two of which are essential. The first assumes: no constraints in terms of production techniques or product quality, the existence of profits, and free exit (no costs other than the depreciation of the capital employed). Low-cost freedom of exit must facilitate freedom of entry. Freedom of entry and exit in a market (the theory of contestable markets as defined by Baumol, Panzar, & Willig, 1983) allows us to assess potential competition in situations of imperfect competition. The low barriers to entry into this market and the low exit costs for operators make it a contestable market in the sense of (Baumol et al., 1983) and turn the products offered there into mass-market goods (Valin, 2017).

The second factor involves the threat posed by potential entrants to the market (firms not currently in the market) who, by offering a lower price, can divert demand away from existing firms (firms currently active in the market). The atomistic nature of this market is not a decisive criterion and does not allow for the verification of a competitive situation, nor is it one of the necessary conditions for such a situation. Firms behave as if a new entrant were about to challenge them. Perfect competition exists even in the absence of competitors, and the mere threat of potential competition is sufficient to drive efficiency.

The application of this theory to this specific market is illustrated by the ease with which anyone can access the gambling sector. For to take part in gambling or place a bet, no particular level of education is required. Gambling stirs the financial appetites of all players and bettors, raising the hopes of players—particularly the most disadvantaged—who see it as an opportunity to strike it rich with a single ticket.

From the governments' perspective, for centuries the gambling sector has always constituted a financial niche at both the continental and global levels; the revenue generated by the sector represents a financial niche that governments can exploit for social projects and to cover part of their budget deficits.

This was already the case in France, where, with the aim of raising the funds needed to financially support agricultural work and the Army, the 1891 Act was passed, thereby relegating religious and moral arguments to second place in favour of the public interest. Thus was born the *Pari Mutuel Urbain* (PMU). To achieve these economic and financial objectives, the public authorities had to confine gamblers to closed and discreet gaming venues in order to maintain a certain moral balance.

The 1907 Act authorised casinos, and the 1933 Act established the National Lottery, continuing to pursue economic objectives such as raising funds to provide financial compensation to soldiers maimed in the Great War (the “*gueules cassées*”), widows and orphans (Trespeuch, 2019). To this day, a significant proportion of the revenue generated by this sector is used to fund social projects.

However, it is important to note that in practice, and in most of the world's economies, the gambling market can be regarded as a regulated competitive sector, given the presence—not to say the close supervision—of state authorities.

In light of the above, from a theoretical perspective, we believe that the regulation of the gambling market in the Congo can be justified by the state's desire to reduce information asymmetries in the sector, given its contentious nature and the innovations in the sector resulting from globalisation and new technologies, which make its control increasingly difficult. Gambling can threaten the balance both in terms of players' health and as a source of risks to public order and security. Similarly, the results of the survey we will present below show that the local market suffers from several shortcomings that justify its regulation, as in other countries.

A brief analysis of the first two factors demonstrates that compulsive gambling leads to addiction and mental health problems.

According to the World Health Organisation (WHO), 1.2% of the global adult population suffers from a gambling disorder. Specifically, approximately 5.5% of women and 11.9% of men worldwide suffer, to varying degrees, from the harmful effects of gambling (Wardle et al., 2024).

Rintoul, A., Dwyer, J., Millar, C., Bugeja, L., Nguyen, H., in their article: *"Gambling-related suicide in Victoria, Australia: a population-based cross-sectional study. The Lancet Regional Health— Western Pacific, 2023"*, found in a study focusing on the Swedish case that people with a gambling disorder were 15 times more likely to commit suicide than members of the general population.

Meanwhile, Karlsson and Håkansson (2018) in the state of Victoria, Australia, found that at least 4.2% of suicides were linked to gambling.

Compulsive gambling can lead to serious health problems linked to financial difficulties, relationship breakdowns, domestic violence, mental illness or suicide. The consequences of the harmful effects of gambling can last a lifetime and even affect several generations (WHO, 2024).

According to the *Gambling Research Exchange Ontario (GREO) 2019. Proportion of revenue from problem gambling GREO*, Guelph Other harms linked to gambling, such as stigmatisation, criminal activity to obtain money (theft, fraud), child neglect and the erosion of civil institutions due to corruption and political activities carried out by companies in the gambling industry, may arise.

In the case of the Republic of the Congo, there are no scientific studies on the harmful effects of gambling, such as addiction; the weakness of the legal framework in this area, combined with the widespread proliferation of gambling establishments in working-class neighbourhoods, makes it difficult to monitor underage gambling and other dangers inherent in the practice of gambling.

The second factor that may have led to the regulation of the gambling market is linked to its vulnerability to the risks of money laundering, illegal activities and security threats.

In the case of the Republic of the Congo, two reports analyse the country's situation.

Indeed, illegal gambling opens the door to money laundering operations and threatens public security. Without regulation, this market also attracts criminals

posing as operators who exploit its cross-border nature to launder their funds discreetly.

Due to their porous borders, the lack of oversight mechanisms for both land-based and online betting, and the weaknesses in their legal frameworks, most countries in sub-Saharan Africa provide fertile ground for these illegal practices.

For example, two reports, including one by the Action Group Against Money Laundering in Central Africa (GABAC)¹ and GIABA on the Republic of the Congo, have highlighted the country's vulnerability.

According to GABAC, the country's gambling sector is characterised by weak AML/CFT measures (...). Casino operators do not fulfil their customer due diligence obligations. Player registration is not carried out systematically, due to the absence of dedicated registers. The use of cash is very high in the sector, particularly for the payment of bets and winnings.

As for GIABA, a 2020 report indicates that the gambling sector in Congo makes the country vulnerable to terrorist attacks and money laundering.

According to the report, the checks carried out by the supervisory authorities (Directorate-General for Leisure, Directorate-General of the National Police, Directorate of Civil Security) do not cover AML/CFT.

Consequently, professionals in this sector could easily be exploited for money laundering purposes by their clients and owners. The Note also indicates that supervision of casinos in Congo is weak, resulting in an increase in dubious patronage. Slot machines also operate in places that escape the scrutiny of the public authorities. However, this market segment (casinos) is known to be one in which money laundering is a recurring issue. Venues where such games are played, such as casinos, are known to have a bad reputation, stigmatised for their alleged links to organised crime and money laundering. The majority of these slot machines are located in the cafés of luxury hotels, where senior officials from public and private administrations come to play. Here too, revenue that should go to the state is not collected because the taxation system is lacking.

When granting operating licences, COGELo has no practical means of verifying the authenticity of a foreign operator's criminal record. In some cases, the operator may not even hold a valid residence permit. According to the aforementioned GABAC report: "A criminal record is a mandatory document when establishing any legal entity in the Congo (...) it can be issued without prior verification of the parties concerned, as there is no centralised body responsible for issuing it. Similarly, there are no adequate checks (...) for foreign companies; no specific measures are implemented by the authorities at the time of their incorporation, in particular investigations and enquiries into the promoter(s) and the origin of the funds" (GABAC Report, 2022, p. 122).

The GABAC report, op. cit., p. 123, notes that "the Congo does not have a

¹Action Group against Money Laundering in Central Africa (GABAC). (2022). *Measures to Combat Money Laundering and Terrorist Financing*. Action Group against Money Laundering in Central Africa.

mechanism for collecting accurate and up-to-date information on beneficial owners; moreover, the information contained in the RCCM is declaratory and does not specifically include information on beneficial owners.

Consequently, information on beneficial owners is difficult for the competent authorities to access, a situation exacerbated by the fact that there is no formal mechanism for collecting, storing, updating and making such information available”.

Finally, it should be noted that the third and final factor addresses the malfunctions observed in the Congo’s gambling market. These will be the subject of the following section. These analyses are carried out using descriptive statistics derived from a field survey.

3. Empirical Analysis of the Factors Influencing the Regulation of the Gambling Sector in the Congo

This section analyses the determinants of the malfunctions observed in the Congolese gambling market as factors in the regulation of that market. The methodology chosen is a combination of descriptive statistics from the results of a field survey, supported by data from the literature on this issue.

3.1. Presentation of the Survey: Objective, Scope and Sample Size

3.1.1. Objective of the Survey

This survey was conducted in 2019 at the request of the Ministry of Finance and the Budget, which is responsible for the gambling sector. Its objective is to collect data in order to obtain reliable information on the sector and its operations.

The survey covered several major cities, namely: Brazzaville, Pointe-Noire, Dolisie, Nkayi, Gamboma, Owando and Ouesso.

3.1.2. Methodological Approach

This study is an opinion survey that was carried out using non-probabilistic or empirical sampling methods, specifically the quota method. The method of data collection was face-to-face interviews, whereby the interviewer approached the respondent and presented them with a questionnaire tailored to their profile. Three questionnaires were administered: one for administrative staff, one for operators and one for punters. The study involved analysing the provision of gambling in the Congo, which is offered by horse racing and sports betting establishments, casinos, clubs and gaming houses.

3.1.3. Sample Size

The sample size comprises 1038 bettors interviewed, 34 gaming operators and 55 local authorities. This makes a total of 1127 individuals and organisations interviewed, as shown in **Table 1** below.

3.1.4. Presentation of the Methodology

The data collection method used in this study is non-probability sampling via face-to-face interviews. It involved selecting units from a population using a subjective (i.e. non-random) method. It does not require a complete sampling

Table 1. Number of individuals and organisations surveyed by locality.

Cities	Bettors/players		Operators		Local authorities		Total
	Workforce	%	Headcount	%	Headcount	%	
Brazzaville	410	39.50%	9	26%	13	24%	432
Pointe-Noire	308	29.67%	7	21%	12	22%	327
Dolisie	110	10.60%	5	15%	9	16%	124
Nkayi	90	8.67%	5	15%	8	15%	103
Gamboma	70	6.74%	4	12%	7	13%	81
Ouessou	50	4.82%	4	12%	6	11%	60
Total	1038	100%	34	100%	55	100%	1127

Source: Ministry of Finance and Budget survey.

frame and is a quick, easy and inexpensive way to obtain data. This methodological choice is primarily due to constraints.

3.2. Presentation of Some Survey Results

Choice of Indicators

For the purposes of this study, we have selected the following indicators: loss of budget revenue, lack of oversight of casinos and gaming halls, the growth of precarious employment, low transparency in the sector, the absence of appropriate regulation, the haphazard establishment of venues, registration with the Trade and Movable Property Credit Register (RCCM), and holding of an operating licence.

4. Results and Discussion

4.1. The Absence of an Appropriate Legal Framework

The lack of a dedicated legal framework for the gaming sector in the Republic of the Congo is the main cause of most of the malfunctions and inefficiencies observed in the sector. Among other consequences, this has led to: an increase in precarious and undeclared employment, the operation of businesses without a licence, and low financial returns in the form of taxes and duties for the Public Treasury and, consequently, the State.

The range of games and services offered by operators in this country varies from physical and online horse racing and sports betting to casinos, gaming clubs, retail outlets, etc. This takes place in defiance of the rules and principles that prevail in other countries, such as the prohibition of gambling by minors and addicted adults, and the establishment of such venues near schools. Given the corruption and the absence of a specific regulatory body, it is difficult for the public authorities to enforce regulations applicable to similar sectors or to commerce in general. As for COGELO, the incumbent operator 90% owned by the State which acts as a regulator in the State's stead, it is difficult for it to fulfil this role whilst being both a player and a party to the proceedings.

4.2. Loss of Budget Revenue by the State and Confiscation of Punters' Winnings

Gross gaming revenue (GGR) corresponds to the difference between the amount of initial stakes (including sums wagered by players and, where applicable, initial advances—for casinos—and bonuses) and the amount of winnings paid out to players, according to the French Observatory on Drugs and Addictive Behaviours (OFDTA). This amount represents both what remains with operators after the redistribution of winnings and the sum that players have actually spent, i.e. lost.

It is calculated as follows:

$$\text{GGR} = \text{Stake} - \text{Winnings paid out}$$

where:

- Stakes = *total amount of money wagered by the bettor*
- Winnings: *the pot redistributed to winning players*

The lack of regulation does not prevent the sector from being profitable, but this profitability benefits only private operators, including COGELO, not to mention a few directorates-general within ministries (which had no business being involved, such as the police, the Directorate-General for Culture, Immigration, etc.) that have grasped the issues at stake. According to the results, this sector generated an annual turnover of 20.21 billion CFA francs in 2018. In the absence of sectoral oversight, this figure is an underestimate.

For example, various reports by COGELO's auditors have shown that between 2008 and 2017, COGELO's turnover reached 45.446 billion CFA francs. And of this sum, the Congolese state received no payment of the 10% tax levied on Gross Gaming Revenue (GGR) and lost more than 4 billion CFA francs.

Finally, several private operators are established in the cafés of luxury hotels where senior officials from public and private administrations come to gamble. The winnings generated there are not collected by the tax authorities due to the lack of a taxation system. In other words, the Congolese state is losing significant financial resources.

Whereas, if the principles and distribution ranges were adhered to, the state would stand to gain.

For example, according to [Karounga \(2018\)](#), Loto-Québec is the biggest winner in the gaming sector.

The distribution formula for winnings is as follows: State (44%), winners (28.37%), employees (13.06%), partners (9.78%), distributors and operational costs (7.74%). If the distribution formula were adhered to in the Congo, COGELO alone, over the period from 2010 to 2015, would have been able to collect nearly 55 billion CFA francs; however, due to a failure to adhere to the distribution formula, winners received only 24.125 billion, or 44% of the total, instead of 60 or even 70% as is the case elsewhere.

4.3. The Absence of Appropriate Regulation

The lack of a legal framework governing the sector exposes it to high risks of non-

compliance, financial penalties, and a deterioration in safety or the environment.

The survey results highlight and confirm the reports by GABAC and GIABA, which state that casinos are virtually unregulated in the Congo. Slot machines operate in locations beyond the reach of the authorities. They are found in drinking establishments in working-class neighbourhoods, often inaccessible by car.

4.4. The Rise of Precarious Employment

The creation of jobs outside the legal framework of labour, leading to the growth of professional activities whose long-term viability is uncertain, characterised by limited duration, low income or a lack of social protection. Despite the high numbers of gamblers and young players in particular (especially during major sporting events), which lead to increased revenue, employment in this sector remains precarious. The wages paid to those working in the sector depend solely on the discretion of the gaming operator and are not underpinned by a pay scale approved by the Ministry of Labour. Redundancies are carried out without regard for the provisions of the Labour Code.

The results of the survey showed that of the 34 companies surveyed, only 14 provided information on the employment situation within their organisation. A detailed analysis revealed that these 14 companies employ 1,690 staff, broken down as follows: 791 on permanent contracts (46.8%); 87 fixed-term contracts (5.15%) and 812 temporary staff (48.0%). The incumbent operator COGELo and its online betting subsidiary account for over 90% of jobs, as shown in **Table 2** below.

Table 2. Number of employees by contract type.

Operators	Location	Type of game played	Total staff	Contracts		
				Fixed-term	Permanent	Temporary
Cogelo SA	Brazzaville	PMU/sports betting	1039	0	380	659
Great goal	Brazzaville	Sports betting	11	0	11	0
Appolo Games	Pointe-Noire	Sports betting	42	42	0	0
First Bet	Brazzaville	Sports betting	450	0	300	150
Congo bet	Pointe-Noire	Sports betting	30	19	11	0
Casino World	Pointe-Noire	Slot machines	14	8	5	1
LOTAF	Pointe-Noire	Sports betting	13	7	4	2
S. Games Domes	Brazzaville	Slot machines	02	1	1	0
Hong Yuan Y	Brazzaville	Slot machines	09	0	9	0
Mirage SARL	Pointe-Noire	Poker	39	0	39	0
Crystal Jackpot	Brazzaville	Sports betting	03	0	3	0
Cave Albe	Brazzaville	Slot machines	-3	2	1	0
Étoile Internationale	Brazzaville	Slot machines	22	0	22	0
Ace of Spades Casino	Brazzaville	Slot machines	16	10	6	0
Total			1693	89	792	812

Source: Ministry of Finance and Budget survey, 2019.

4.5. Low Transparency

A lack of clarity and openness in the information provided within a given sector. According to the survey results, not all casino operators hold legal licences. They operate in a sector that is poorly understood by the tax authorities.

The failure to maintain accounts in accordance with standards means that there is no record of financial flows. The sector lacks a system for recording financial flows. It is therefore difficult for the State to assess the taxes to be collected.

The investigation revealed that the government has not imposed any requirements aimed at making this highly lucrative activity transparent, whether in casinos, sports betting or gaming houses.

Whereas operating with full transparency helps prevent deviant behaviour and the proliferation of illegal gambling machines. Transparency also helps guard against money laundering, problem gambling, settling of scores and mafia-style organisations, particularly in casinos. Moreover, few operators hold the necessary licence to operate.

4.6. The Haphazard Establishment of Venues

Refers to a forced, rapid and often opaque installation, without local consultation, reminiscent of authoritarian methods. This term is frequently used to criticise the installation of controversial facilities (mobile phone masts near schools) or imposed educational reforms.

The choice of location for a gaming establishment is left to the developer's discretion. This has led to a proliferation of gaming halls in the districts of Brazzaville and Pointe-Noire that do not comply with any safety or comfort standards for players. An analysis of the geographical distribution of the venues shows that they are concentrated in the two major cities: 50% of businesses are located in Brazzaville and 26.5% in Pointe-Noire, totalling 76.5%.

Among the operators based in Brazzaville, 47.1% are Congolese nationals and 52.9% are foreign nationals. In Pointe-Noire, 22.2% are Congolese nationals and 77.87% are foreign nationals.

The widespread establishment of gaming halls and/or casinos is causing the sector to stagnate. In other words, the high concentration of operators within a small, sparsely populated area significantly reduces the number of players frequenting these establishments. Whilst their growth rate is higher than that of players, the risk is also high.

4.7. Holding of Operating Licences by Department

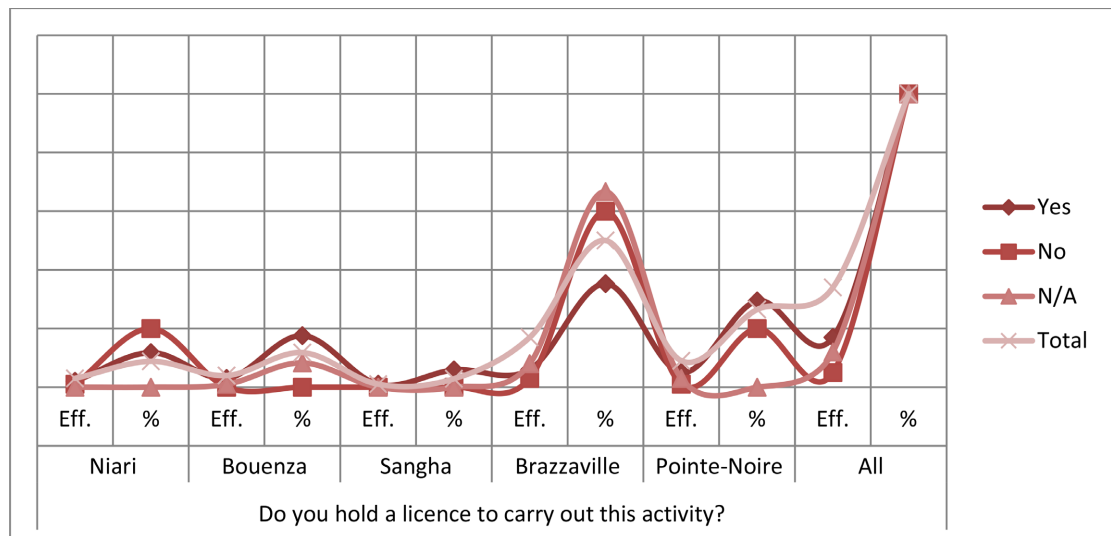
A licence is a legal document that allows a commercial or industrial entity to operate within its sector. Holding such a licence is an essential prerequisite for carrying out the activity legally. Before applying for a licence, the operator must first be registered in the Trade and Movable Property Credit Register (RCCM). The survey results showed that 61.8% are registered, compared with 38.2% (**Table 3**).

Table 3. Registration with the RCCM.

Registration	Number	Percentage
Yes	21	61.8
No	13	38.2
Total	34	100

Source: Ministry of Finance and Budget survey, 2019.

Holding a licence is the main indicator of the legality of a company’s activities because it subjects the company to certain obligations with which it must comply and facilitates monitoring by government departments. When asked how many of the 34 operators held such a licence, 17 (50%) of the sample answered in the affirmative, compared with 5 (11.8%) who answered in the negative, and 12 (38.2%) who did not respond. Assuming *ceteris paribus*, we can assume that those who did not respond do not hold a licence; we can therefore extrapolate to conclude (50%, i.e. 38.2% + 11.8% = 50%) that half of the operators do not hold a licence to operate. This result highlights the weakness of the chosen data collection methodology, which could have been avoided by using a database (Figure 1).



Source: Ministry of Finance and Budget survey, 2019.

Figure 1. Licence to practise by department.

Cross-tabulation of the variables (licence status) and (geographical location) shows that 35.3% of those with a licence are based in Brazzaville, 29.4% in Pointe-Noire, nearly 12.0% in Niari, 17.6% in Bouenza and nearly 6% in Sangha. However, a more detailed analysis suggests that the absence of a response (NRP) is a negative response. A simple interpretation allows us to state that nearly 67.0% of operators practising in Brazzaville do not hold a licence to practise. This result is paradoxical, as most of the public regulatory bodies are based in Brazzaville. Should we conclude that this activity is better regulated in the departments than

in the capital?

In short, in the preceding paragraphs we have attempted to highlight the malfunctions or characteristic factors of this sector that led the Government to adopt a law to regulate it, in the hope of managing the two aforementioned factors but also of profiting from them. In the following paragraphs we shall attempt to present an analysis of the demand in this market.

An analysis from the perspective of demand for gambling allows us to identify the motivations of bettors as factors leading the Government to better regulate this sector. For this is a market in which several players interact.

From this perspective, we can outline our analysis based on the assumption that every player is “normal” and rational, given that they are in good psychological health and can only bet within the limits of their income. Regular gambling implies that the participant (player) possesses the financial means to derive satisfaction from it. As an expression of their desire, their bet carries a price predetermined by the operator. By visiting a gaming venue, the player makes the decision to win a bet that brings them the greatest possible satisfaction (utility) for the lowest possible expenditure they will incur, given their budgetary constraints. As the player is a rational being, the value of the stakes and their financial participation in the games must not exceed their disposable income.

Let us illustrate this argument by imagining a gambling market where there are several operators running a single type of game, such as a casino. The functioning of this market in most countries is governed by the law of supply and demand; and is characterised by competition and freedom to gamble.

Thus, every participant hoping to profit by winning a bet adopts the same attitude as a consumer of goods and services.

Demand for gambling is elastic in relation to the return to punters, i.e. the expected return expressed as a percentage of the total stake. Thus, the higher this percentage, the greater the number of punters.

When the winners’ share of winnings, calculated as a percentage of the stakes, is high, the gambling establishment gains significant prominence: the number of players increases; conversely, when this share decreases, players’ incentive to participate in gambling diminishes.

An empirical analysis of this demand, based on the survey, showed that out of a sample of 1127 individuals interviewed, 1038 were bettors/players, of whom 991 were male (95.47%) and 47 were female (4.53%). The low number of female participants is not unique to the Congo. A study by [Papon & Tomei \(2019\)](#) for Switzerland found that women start gambling later than men, but they develop problematic gambling behaviours more quickly, as evidenced by visible signs. The authors explain this behaviour by the fact that women tend to externalise their emotions more readily (crying, signs of distress) when losing large sums of money through gambling than men do. Their participation in gambling is motivated by a desire to escape from everyday concerns such as loneliness and boredom, whereas men are predominantly attracted by the prospect of winnings.

The average age of gamblers is 32.4 years, and individuals in the 15–34 age group account for 73.1% of gamblers.

As for the analysis of educational attainment, it appears that 54.0% of punters have completed secondary education (which corresponds to sixth form or A-levels) and 31.7% have completed higher education. Those stating they have no educational attainment are under-represented (4.1%), whilst 10.1% have primary education. This may suggest that punters in Congo have a substantial level of education, enabling them to fully understand the rules of the games. A cross-tabulation by gender shows that these trends are virtually identical for both sexes (Table 4).

Table 4. Educational attainment of punters.

Level of education	Gender					
	Male		Female		Total	
	Population	%	Total	%	Headcount	%
None	40	4.0%	3	6.4%	43	4.1%
Primary	97	9.8%	8	17.0%	105	10.1%
Secondary	536	54.1%	25	53.2%	561	54.0%
Higher	318	32.1%	11	23.4%	329	31.7%
Total	991	100.0%	47	100.0%	1038	100.0%

Source: Ministry of Finance and Budget survey, 2019.

Similarly, 61% of those who participate in gambling live with a partner, compared to over 38% who are single. Over 54.07% of gamblers have completed secondary education and nearly 32% have completed higher education. Barely 4% have not attended school, 10.17% have completed primary education, and 10.17% have completed primary education.

In our attempt to understand what motivates punters to gamble, it emerged that the desire to win was a key factor, with nearly 69% of them being unemployed, followed by 27.77% who are in employment.

Cross-tabulation of the various motivations with the bettors' employment status revealed further reasons.

In the literature, the work of [Smith and Preston \(1984\)](#), has noted that for most gamblers in developed countries, gambling is a leisure activity. Gambling is a form of entertainment that allows players to distance themselves from the concerns of daily life and escape into the action of the game; it encourages the dream of striking it rich, which can change the course of a life in the event of a win. On a social level, games promote social interaction, integration and a sense of belonging to a social group, and can prevent isolation. Meanwhile, [Azmier \(2000\)](#) in Canada found that winning was the main motivation for participating in bingo and horse racing.

With regard to the Republic of the Congo, the cross-tabulation of employment

status and certain motivations is consistent with Azmier's findings. This is because 53.97% of participants gamble for financial reasons (**Table 5**).

Table 5. Cross-tabulation of reasons for playing and employment status.

Employment status	Economic motivations		Beneficial leisure		Other		N/A		Total	
	Eff.	%	Eff.	%	Eff.	%	Eff.	%	Eff.	%
Employees	133	46.2%	142	49.3%	5	1.7%	8	2.8%	288	100%
Pensioners	21	65.6%	10	31.3%	0	0.0%	1	3.1%	32	100%
Unemployed	139	63.5%	70	32.0%	3	1.4%	7	3.2%	219	100%
Unemployed	264	53.3%	214	43.2%	2	0.4%	15	3.0%	495	100%
Not declared	2	50.0%	1	25.0%	0	0.0%	1	25.0%	4	100%
Total	559	53.9%	437	42.1	10	3.5%	32	3.1%	1038	100

Finally, an analysis of participation cross-referenced with income level shows that the majority of punters (67.07%) have a stable job with an income of between 75,000 and 300,000 CFA francs. Those with incomes below 75,000 francs account for 23.57%, and those with incomes above 300,000 francs account for 9.5%. Whatever the reasons that drive punters to gamble, the majority of them have an income of between 75,000 and 300,000 CFA francs.

5. Conclusion

This article has highlighted a number of shortcomings and malfunctions—though by no means an exhaustive list—in the gambling market in Congo. The expectations of stakeholders in the sector here—whether operators, players or public services—are primarily that the implementation of Law 37-2024 of 11 October 2024 will rectify these identified shortcomings in order to enable the market to function optimally. In the sense of (Frison-Roche, 2004), the optimal functioning of the market requires the legislator to define the scope of the State's action so that the State can maintain a balance between the protection of free competition and the achievement of other objectives, whilst guaranteeing the principles of impartiality, transparency and proportionality.

Furthermore, regulation can only improve the optimal functioning of the market by adhering to six (6) essential criteria, according to (Villeneuve, 2011), namely: (i) the scope of regulation, (ii) the geographical reach of regulation, (iii) whether or not regulation is fragmented, (iv) market structure, (v) financial mechanisms, and (vi) excessive gambling.

As for the efficiency and optimal functioning of the Congo's gambling market, these also depend on the choice of a legal form for the regulatory body, and the State has a choice between two forms: the Independent Administrative Authority (IAA) and the Independent Public Authority (IPA). They constitute an exception to the strict separation of powers in that they belong to the executive branch, pos-

sess regulatory powers and also the power to impose sanctions—and are therefore of a judicial nature. They have two main areas of responsibility: the protection of citizens who are consumers of a sector’s services and the regulation of a sector’s economic activity.

Their “independence from the hierarchy of the executive branch is a distinctive feature compared to other administrative bodies and the provisions of each country’s Constitution”. This body should possess a range of powers that no other state body possesses, as justified by the teleological nature of regulation.

The independence and autonomy of this body must be guaranteed by the central administration. In order to fulfil their missions, they are guaranteed the freedom to act with full autonomy, without their actions being directed or censored, except by the courts. The rules of autonomy mean that the Authority must never allow itself to be completely constrained by frameworks of dependency. It must assert its prerogatives vis-à-vis the Administration and stakeholders, the right to develop initiatives, to demonstrate its capacity to produce its own rules of action, or its willingness to co-manage a system. Its actions constitute a response to constraints, to heteronomous mechanisms, to a unitary state, to external mechanisms structuring activities, to institutions that regulate its behaviour, and to mechanisms of control and sanction. And the Republic of the Congo has opted for the model of the Public Administrative Authority.

Finally, our analysis of this market might have been more relevant had the data been collected using a different non-probabilistic sampling method, which is characterised by the potential presence of participation and selection biases—hence our caution. Similarly, the sample of punters and operators is not representative at the national level.

Conflicts of Interest

The author declares no conflicts of interest regarding the publication of this paper.

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