INTERNATIONAL JOURNAL OF LATEST TECHNOLOGY IN ENGINEERING, MANAGEMENT & APPLIED SCIENCE (IJLTEMAS)
ISSN 2278-2540 | DOI: 10.51583/IJLTEMAS | Volume XV, Issue VIII, August 2026

Sequential Associations between Illegal Online Loans, Online Gambling, and Sugar Daddy Relationships among Young Adults in Indonesia: An Integrative Literature Review

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DOI: https://doi.org/10.51583/IJLTEMAS.2026.150800049

Received: 26 August 2026; Accepted: 31 August 2026; Published: 09 September 2026

ABSTRACT

The fast development of digital platforms has changed the financial and social behaviors of young adults in Indonesia, but also has allowed the emergence of unlawful online gambling, illicit loans and transactional relationships. Although these phenomena are typically treated in isolation, there is little study that examines their interactions as part of a larger process of vulnerability. The aim of this study is to examine the sequential association proposed between online gambling, illegal online loans, and sugar daddy relationships among Indonesian young adults.

The paper develops a sequential vulnerability paradigm through a synthetic review technique that integrates empirical data from behavioral, psychological, legal, and socio-economic literature. The literature suggests a common pattern of escalation in which online gambling is an entry point to financial risk, followed by gambling-related losses leading to reliance on illegal online loans that exacerbate psychological discomfort from debt accumulation. Some young individuals, especially women, resort to transactional relationships as a high-risk coping technique when they are under protracted financial and emotional stress.

The synthesis points to debt stress as a proposed key link between gambling and negative mental health and social effects, consistent with mediation evidence reported in the source studies. The study also shows how vulnerability is increased at every point of the cycle by factors such as digital accessibility, targeted marketing, poor financial literacy and ineffective regulatory enforcement. Building on a theoretical approach that combines behavioral and structural views, this research extends the understanding of digital financial harm in emerging economies and emphasizes the need for a coordinated policy response that addresses gambling legislation, predatory lending, and psychosocial support simultaneously.

Keywords: online gambling; illegal online loans; sugar daddy relationships; debt stress; financial vulnerability

INTRODUCTION

The rapid development of digital financial and entertainment platforms has dramatically changed the economic and social life of young adults in Indonesia. But with the expansion of legitimate fintech services has arisen a parallel ecosystem of unlawful online loans, online gambling sites, and transactional relationships, generally known as sugar daddy arrangements. Official data show that authorities have shut down thousands of unlawful investment and online loan platforms in recent years, reflecting the scale and durability of illegal digital financial activity despite continued enforcement efforts (ANTARA News, 2024). Simultaneously, official communication studies indicate that young people are among the most vulnerable populations ensnared by internet financing schemes, largely due to poor financial knowledge and immediate consuming needs (Indonesia Baik, 2023). Although these issues are usually studied independently, increasing evidence suggests that they are structurally related and constitute a mutually reinforcing cycle of financial vulnerability, psychological distress, and social risk among Indonesian young adults.

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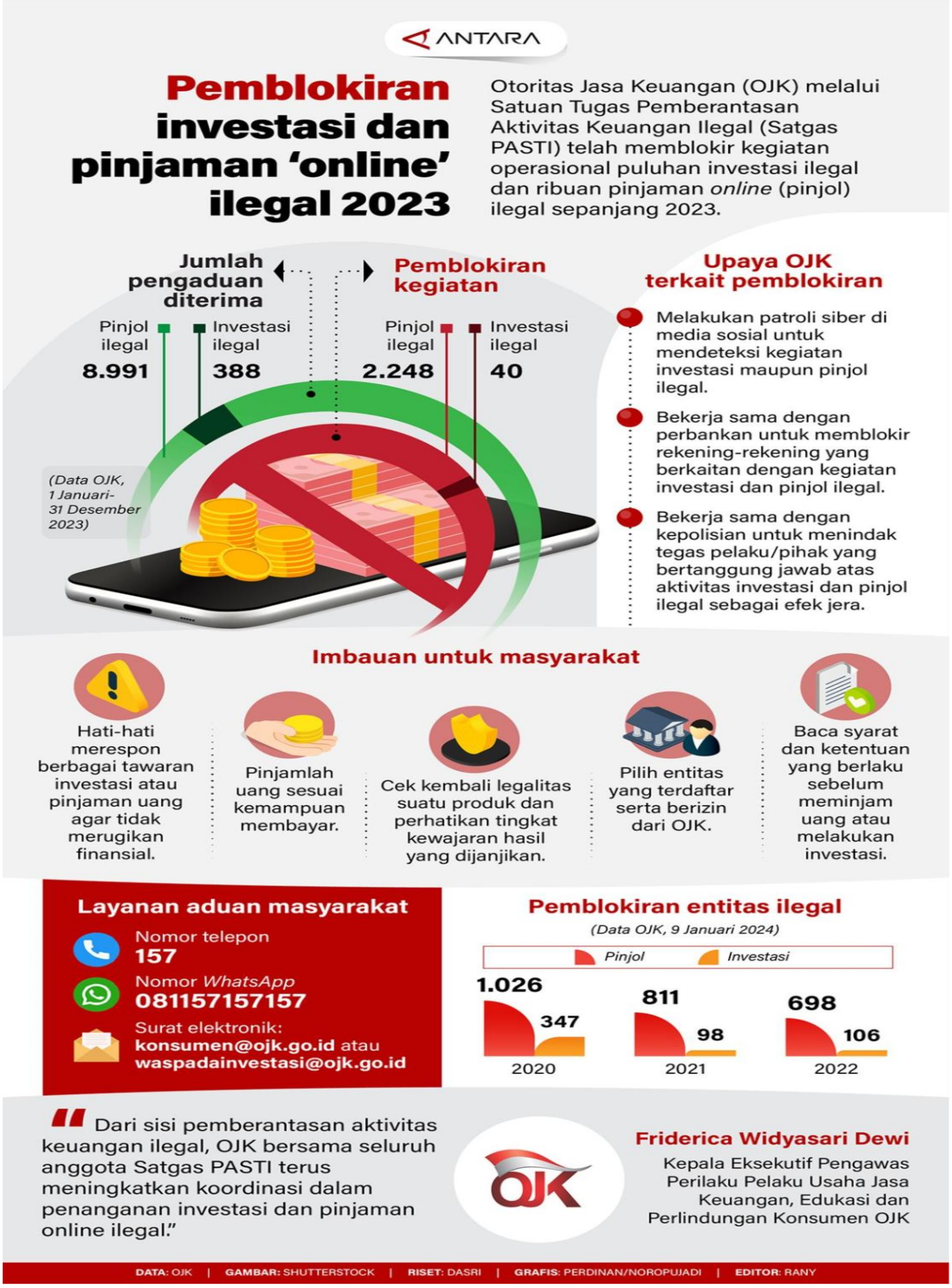

Source: ANTARA NEWS, 2024.

The study examines the sequential associations proposed between unlawful online loans, online gambling, and sugar daddy relationships among young adults in Indonesia. In this work, we interpret these behaviors not as independent or coincidental effects of digitalization, but as part of a sequential coping trajectory driven by financial precarity, technological accessibility and evolving social norms in the digital era. Specifically, it asks how participation in one risky behavior could increase the chance of engaging in subsequent actions, hence increasing individual exposure to economic exploitation and psychological suffering.

Online gambling in Indonesia has grown rapidly, despite stringent legal bans, because it is hidden in video games, constantly available through smartphones, and aggressively marketed digitally. Increasing participation rates among the age group of 17–29, notably students and newly employed workers, who are experiencing increasing living costs, tuition fees and limited income opportunities, as shown in recent research (Fahrudin et al., 2024; Indra et al., 2025; Siringoringo et al., 2024). Igomu et al. (2024) demonstrated that online gambling is

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usually seen as a quick and easy answer to short-term financial needs while concealing the high addiction potential and serious risk of financial loss.

Indonesia Baik, 2023

Therefore, Indonesia has become one of the world's largest marketplaces for online gambling, with participation rates that exceed several other nations (Evianti & Rosa, 2024). The financial cost of gambling losses is often greater than individual consumption and can leave young adults in debt as they try to recover losses or maintain desired lifestyles. In this setting, unlawful internet loans that are characterized by exorbitant interest rates, obscure contracts, and forced debt collection are an accessible but dangerous option for short-term liquidity (Putri & Urumsah, 2025). National-level monitoring also shows that the proliferation of such platforms is more concentrated among young borrowers, thereby cementing debt cycles instead of relieving financial stress (ANTARA News, 2024; Indonesia Baik, 2023).

As financial pressures mount, some young adults, especially women, choose transactional relationships such as sugar daddy agreements as a way to earn revenue. Though these relationships may be presented as consensual or empowering, they often occur under contexts of extreme economic hardship and power differentials, with risks of exploitation, psychological harm and wider social implications (Ahyani et al., 2024; Kamalludin, 2024). These stages indicate a cycle of systemic vulnerability, not a series of discrete dangerous choices.

Hence, this study is aimed at comprehensively exploring the sequential and reinforcing paths to online gambling, illicit online loans, and sugar daddy relationships among Indonesian young adults. In this way, it aims to present

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a more complete picture of how digital financial hazards travel and multiply in emerging nations with low enforcement, high youth unemployment and widespread digital exposure.

Definitions of Key Constructs

To ensure conceptual clarity and consistent use of terms, the core constructs referred to throughout this review are defined as follows. Online gambling refers to wagering money or valuables on games of chance or skill through internet-based platforms, applications, or websites, including gambling activity disguised within or adjacent to online games (Indra et al., 2025). Illegal online loans (pinjaman online ilegal) refer to short-term lending services offered through unregistered digital platforms that operate outside the supervision of Indonesia's Financial Services Authority (Otoritas Jasa Keuangan, OJK), typically characterized by non-transparent fees, excessive interest rates, and coercive collection practices (Putri & Urumsah, 2025). Sugar daddy relationships (used interchangeably with transactional relationships in this paper) refer to informal arrangements in which one party provides money, gifts, or material support to another — typically a younger partner — in exchange for companionship or intimacy; the construct is treated here as economically motivated rather than as a form of formal sex work (Kamalludin, 2024). Debt stress refers to the psychological strain arising from the burden of repaying debt, including anxiety about repayment capacity, exposure to collection pressure, and the social consequences of default (Swanton & Gainsbury, 2020).

Because the wider literature on gambling-related harm spans multiple developmental stages, this review's primary claims are restricted to young adults, operationalized as individuals approximately 18–29 years of age, consistent with the age range reported in most of the Indonesia-specific sources synthesized here (e.g., Fahrudin et al., 2024; Siringoringo et al., 2024). A subset of the sources summarized in Table 1 examine adolescents under 18 rather than young adults (e.g., Budiman et al., 2022; Sahputra et al., 2022). These are retained only where they illustrate general mechanisms — such as gamification or psychological distress — that plausibly extend into young adulthood; their findings are treated as contextual and analogical rather than as direct evidence about the young-adult population that is this paper's focus.

The source literature also uses related terms — including “Gen Z”, “emerging adults”, and “youth” — with study-specific age brackets that do not always align precisely with the 18–29 range used here. Where a cited study’s own sample is described in Table 1 or in the text using one of these terms, the term reflects that study’s own population definition rather than a departure from this paper’s young-adult focus; such findings are treated as falling within, or closely adjacent to, the young-adult category defined above, and this paper’s own claims consistently use “young adults” throughout. Two further constructs used in this paper are financial vulnerability, referring to heightened susceptibility to financial loss or exploitation arising from limited income stability, credit access, or financial literacy, and psychological distress, referring to a state of emotional suffering encompassing anxiety, depressive symptoms, and diminished wellbeing, consistent with its general usage in the gambling-harm literature cited here (e.g., Oksanen et al., 2018).

LITERATURE REVIEW

Existing scholarship documents the rapid expansion of online gambling in Indonesia and its disproportionate impact among young adults and adolescents. Various studies have shown that technology accessibility, anonymity and gamification are significant antecedents of compulsive behaviors and the normalization of gambling as an entertainment activity rather than a high-risk activity (Budiman et al., 2022; Pratama, 2025). These dynamics are further compounded by social media ecosystems that promote gambling via influencers, peer networks, and algorithmic advertising (Indra et al., 2025).

Online gambling has been shown to have psychological effects such as higher levels of stress, anxiety, sadness, and poor self-regulation (Dzaki et al., 2024; Laras et al., 2024). Importantly, gambling-related harm is not usually confined to psychological effects alone. Young adults’ financial losses often lead to consumer debt, which has been found to modulate the association between gambling activity and psychological distress (Oksanen et al., 2018; Swanton & Gainsbury, 2020).

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Illegal internet loans are an important but understudied component of this damage route. These loans are touted as fast and easy financial options, although they frequently ensnare borrowers with sky-high interest rates, hidden fees, and intimidation methods (Putri & Urumsah, 2025). Studies show that those currently suffering from gambling losses are especially susceptible to these lending schemes because desperation trumps risk aversion and sound financial judgment (Bakhtiar & Adilah, 2024).

These dangers are further exacerbated by the confluence of gambling and lending businesses. As international data shows, gambling platforms are increasingly marketing credit possibilities directly to consumers, perpetuating cycles of debt-financed gambling and financial concealment (Marionneau & Nikkinen, 2024; Oksanen et al., 2018). This convergence creates major long-term hazards for young persons who have not established money management skills and financial literacy.

More recently, scholars have acknowledged transactional partnerships, such as sugar daddy relationships, as downstream responses to long-term financial stress and debt buildup. Such relationships are especially common among young women with poor employment chances and high societal pressure to consume (Kamalludin, 2024; Sirola et al., 2018). People often experience psychological suffering, social isolation, and stigma that prevent them from seeking formal help, which further entrenches them in these arrangements (Dzaki et al., 2024).

As the awareness of the two phenomena increases, the current literature discusses online gambling, illegal lending and transactional relationships as parallel social concerns. However, how far these behaviors are directly connected through financial stress, debt escalation, and psychological coping strategies is still not well understood, especially in the Indonesian setting.

Table 1. Summary of the Main Literature on Online Gambling, Illegal Loans and Transactional Relationships among Young Adults

Author(s) & Year	**Context / Sample**	**Main Focus**	**Key Findings**	**Relevance to This Study**
Budiman et al. (2022)	Indonesian adolescents	Online gambling & technology	Online gambling reduces physical activity, disrupts daily functioning, and increases addictive behaviors	Establishes early-stage behavioral harm among youth gamblers
Fahrudin et al. (2024)	Indonesia, policy focus	Online gambling addiction	Weak enforcement and digital accessibility drive widespread gambling addiction	Supports regulatory gap as structural driver
Indra et al. (2025)	Indonesian youth (Gen Z)	Gambling disguised as online games	Gambling platforms embedded in games increase youth exposure and addiction	Explains entry mechanism via digital deception
Siringoringo et al. (2024)	Indonesian university students	Student gambling behavior	Gambling used to cover daily expenses and tuition, masking financial risk	Identifies financial desperation as motivator
Igomu et al. (2024)	Emerging economies	Financial risks of online gambling	Gambling leads to significant financial losses and long-term instability	Supports gambling to financial distress link
Oksanen et al. (2018)	Cross-national emerging adults	Gambling, debt, distress	Consumer debt mediates the relationship between gambling and psychological distress	Core empirical support for mediation pathway
Swanton & Gainsbury (2020)	International sample	Debt stress	Debt stress partly explains gambling–mental health relationship	Reinforces debt as key mechanism

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Bakhtiar & Adilah (2024)	Indonesia	Legal & social impacts of gambling	Gambling losses increase reliance on illicit financial resources	Supports gambling to illegal loan transition
Putri & Urumsah (2025)	Indonesia	Illegal online loans	Low financial literacy increases susceptibility to predatory lending	Justifies moderator role of financial literacy
Marionneau & Nikkinen (2024)	Political economy	Gambling–credit industry link	Gambling and lending industries are increasingly interconnected	Explains structural reinforcement of debt cycles
Kamalludin (2024)	Indonesia	Gender & victimization	Women and children disproportionately harmed in gambling-related financial violence	Supports gendered vulnerability
Sahputra et al. (2022)	Indonesian adolescents	Social impact of gambling	Gambling contributes to debt, secrecy, and family conflict	Supports psychosocial escalation
Dzaki et al. (2024)	Gen Z Indonesia	Psychological drivers	Psychological distress and peer pressure fuel gambling persistence	Supports distress–behavior feedback loop
Laras et al. (2024)	Indonesia	Social consequences	Gambling addiction leads to moral disengagement and risky coping	Supports transition to extreme coping strategies
Sirola et al. (2018)	Online communities	Excessive gambling	Online communities normalize risky financial behavior	Supports social normalization mechanism
Evianti & Rosa (2024)	Indonesia, Gen Z	Digital resistance & temptation	Despite awareness, financial pressure sustains gambling behavior	Shows limits of awareness without structural support
Palomäki et al. (2025)	Higher education students	Gambling & comorbidities	Gambling co-occurs with anxiety, depression, and impulsivity	Supports psychological vulnerability pathway
Mantere et al. (2025)	Digital gambling ecosystems	Internet-enabled risks	Constant access and targeted ads intensify gambling harm	Supports role of platform design
Pratama (2025)	Indonesia	Gambling disorder	Online gambling threatens youth mental health and social stability	Supports public health framing
Kamalludin (2024); Ahyani et al. (2024)	Indonesia	Transactional relationships	Financial stress pushes women toward transactional coping	Supports debt/distress affects sugar daddy engagement
Rahadi (2024)	Indonesia	economic pressures and low financial literacy drive	Post-pandemic economic distress and low financial literacy trap individuals in a vicious cycle where illegal online loans and gambling losses force them into transactional sugar daddy relationships for financial survival.	Supports debt/distress affects sugar daddy engagement

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METHODOLOGY

Review Design

This study adopts an integrative literature review design rather than a systematic review, because the objective is to synthesize a conceptual model across methodologically heterogeneous sources (quantitative, qualitative, doctrinal-legal, and institutional/grey literature) rather than to pool effect sizes from a homogeneous body of primary studies. Consistent with established integrative-review guidance, the process below follows a structured and reproducible sequence for source identification, eligibility screening, data extraction, and thematic synthesis.

Search Strategy

Sources were identified through targeted searches of Google Scholar, Scopus, ScienceDirect, and the Indonesian Science and Technology Index (SINTA), using combinations of English- and Indonesian-language search terms including: “online gambling” OR “judi online”; “illegal online loan*” OR “pinjaman online ilegal” OR “pinjol ilegal”; “sugar daddy” OR “transactional relationship*”; combined with “Indonesia”, “young adult*”, “debt stress”, and “psychological distress”. Searches were restricted to peer-reviewed journal articles, official government/regulatory reports, and reputable public-communication infographics published between 2018 and 2025, in English or Indonesian.

Eligibility Criteria

Sources were included if they (a) empirically or theoretically addressed online gambling, illegal online lending, and/or transactional (“sugar daddy”) relationships; (b) focused on adolescents or young adults (including populations described in source studies as "emerging adults" or "Gen Z"; see Section 1.1) in Indonesia or a comparable digital-finance context; and (c) were published in a peer-reviewed outlet or an official government/institutional report. Sources were excluded if the behavior studied occurred entirely outside a digital/online context, or if the sampled population fell entirely outside the adolescent-to-young-adult age range used across the literature synthesized here (see Section 1.1 for construct and age-range definitions).

Selection Process

An initial pool of candidate sources was identified through the database searches above and supplemented by citation snowballing from key reviews and mediation studies (e.g., Oksanen et al., 2018; Swanton & Gainsbury, 2020). After removing duplicates and sources judged off-topic at the title/abstract stage, 29 sources met the eligibility criteria and were retained for full synthesis (see References). Because this is a purposive, targeted search rather than an exhaustive systematic search with a registered protocol, the resulting corpus should be read as a structured, defensible sample sufficient to support conceptual synthesis — not as a complete census of the relevant literature, and not as a basis for pooled statistical estimates.

Study Characteristics and Quality Appraisal

The included sources vary substantially in design and evidentiary strength: national survey/cross-sectional studies (e.g., Siringoringo et al., 2024; Palomäki et al., 2025), longitudinal and mixed-methods studies (e.g., Mantere et al., 2025), doctrinal-legal analyses (e.g., Islami et al., 2024), and government/media reports used only for contextual statistics (ANTARA News, 2024; Indonesia Baik, 2023). Critically, no single included source directly observed or statistically tested the complete three-stage progression from online gambling through illegal lending to transactional relationships within one sample; each stage-to-stage link is instead supported by separate studies, several of which are drawn from non-Indonesian populations (e.g., Oksanen et al., 2018, Finland/cross-national emerging adults; Swanton & Gainsbury, 2020, international sample; Helvich et al., 2025, Czech Republic). This design heterogeneity and cross-national mixing are treated as explicit boundary conditions on the synthesis, not as direct multi-stage evidence, and are revisited in Sections 5.7 and 6.

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Synthesis Method

Sources were synthesized using thematic narrative synthesis. Each source was read and coded against five recurring themes — gambling as entry point, debt escalation, psychological distress, transition to transactional relationships, and structural/institutional amplification — summarized in Table 1. The resulting thematic map is the basis for the conceptual model presented in Sections 4 and 5. Because no primary data were collected or statistically pooled in this study, all pattern statements in this paper describe associations and recurring themes observed across independently conducted studies, not causal or statistically tested relationships; this distinction is maintained throughout the Findings, Discussion, and Conclusion.

FINDINGS AND RESULTS

Emergent sequential pattern in the literature

The combination of previous empirical investigations suggests a recurring sequence of online gambling, unlawful internet loans, and involvement in sugar daddy relationships among young individuals. Most of the research found that online gambling is the first point of entry into financial risk, driven by high digital accessibility, gamification and social normalization (Budiman et al., 2022; Indra et al., 2025; Mantere et al., 2025), as shown in Table 1.

Regular financial losses from online gambling are regularly connected with several Indonesia-centric research, especially among students and early-career individuals with no steady income sources (Siringoringo et al., 2024; Igomu et al., 2024). These losses are not one-time things, they create a continuing shortage of liquidity, which drives people to find quick ways to make money.

The research at this stage suggests people tend to move to unlawful internet loans, as seen in legal and socio-economic studies (Bakhtiar & Adilah, 2024; Putri & Urumsah, 2025). Critically, no study identifies unlawful lending as an independent entrance activity. Rather, uptake of illegal lending typically follows financial hardship produced by gambling losses, confirming its role as an intermediate mechanism rather than a parallel consequence.

Debt Escalation as a Core Mediating Mechanism

A crucial mechanism linking gambling behavior with downstream social and psychological effects, a key result to emerge from the synthesis, was the mediation role of debt escalation. Research has shown repeatedly that unlawful internet loan debt has compounding interest, short repayment periods and coercive collection techniques that increase financial stress in a short period of time (Putri & Urumsah, 2025).

There is also cross-national data to support this mechanism. Oksanen et al. (2018) demonstrate that consumer debt fully or largely mediates the association between problem gambling and psychological suffering in emerging adults. This finding is broadly consistent with Swanton and Gainsbury (2020), who report that debt stress partly explains the relationship between problem gambling and comorbid mental health problems -- that is, a partial rather than sole or dominant mediating role, alongside gambling frequency and other established predictors.

This mediation seems to be much more prominent in the Indonesian setting given the limited access to official credit and financial counseling. As demonstrated in Table 1, research have frequently indicated that people disguise their gambling behavior by taking out many loans, thereby falling deeper into debt traps and experiencing more emotional stress (Bakhtiar & Adilah, 2024; Sahputra et al., 2022).

Psychological Distress and Behavior Escalation

The literature synthesis identifies psychological distress as an important escalation step in the vulnerability cycle. Much research has shown increased levels of anxiety, sadness, and emotional dysregulation among young adults with gambling-related financial difficulties (Dzaki et al., 2024; Palomäki et al., 2025).

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Importantly, distress isn't just a co-traveller of financial troubles, it promotes risk-taking behavior. The analyzed studies show that emotional distress increases impulsivity and decreases the ability to plan for the long term, which promotes ongoing gambling and more risky financial decisions (Oksanen et al., 2018; Laras et al., 2024). This is consistent with self-medication models whereby gambling and borrowing are short-term emotional coping mechanisms at the expense of longer-term effects.

The synthesis also implies that psychological suffering reduces help seeking behavior. Gambling and debt are surrounded by shame, stigma, fear and secrecy making it less likely for young adults to seek help from family or formal support, keeping them stuck in high risk contexts (Dzaki et al., 2024; Kamalludin, 2024).

Downstream Outcome: Transition to Transactional Relationships

One of the important findings in the literature is that sugar daddy relationships are a downstream coping reaction and not a standalone lifestyle choice. As reported in Table 1, the consistent theme from studies on gendered consequences is the propensity for young women subjected to extended financial hardship to engage in transactional relationships to alleviate urgent financial needs (Kamalludin, 2024; Sahputra et al., 2022).

The data examined reveals that this transition tends to occur after a period of debt escalation and psychological strain, not early in financial hardship. This temporal ordering is consistent with thinking about sugar daddy relationships as an adaptive but high risk survival strategy under constrained economic conditions. These agreements commonly occur in contexts of asymmetric power dynamics, which creates the potential for exploitation, emotional suffering and social isolation.

Importantly, none of the studies examined in the literature consider this transition within an integrated conceptual framework linking it to prior financial and psychological strain. Instead transactional relationships are treated in isolation or as moral or cultural issues. The synthesis presented in this paper thus exposes a previously under-articulated structural relationship between digital gambling economies and personal economic exchanges.

Strengthening in structural and contextual

The synthesis also reveals the structural reinforcements that aggravate the vulnerability cycle. Note that several studies have pointed to the increasing integration of gambling platforms with digital payment systems and informal credit providers, creating a seamless environment for debt-financed gambling (Marionneau & Nikkinen, 2024; Oksanen et al., 2018). This process exposes borrowers to lending possibilities at the exact time they are suffering financial loss, therefore speeding up the accumulation of debt.

Also, the literature repeatedly identifies inadequate financial literacy and weak regulatory enforcement as amplifying circumstances (Putri & Urumsah, 2025; Fahrudin et al., 2024). Young adults are often the targets of predatory loan schemes, as they do not grasp the compounding of interest and contractual commitments, and perceived enforcement loopholes lessen deterrents to continuing gambling.

Summary of Recurring Patterns Across the Literature

Overall, the synthesis reveals a recurring pattern across the studies reviewed, spanning different investigations and methods:

1. Gambling online is the main gateway to financial risk.
2. Gambling losses lead to dependence on unlawful online loans.
3. Debt escalation is proposed to mediate the effect of gambling on psychological discomfort.
4. Psychological discomfort is linked to an increased use of severe coping methods, such as transactional relationships.
5. Each step of this process is underpinned by digital ecosystems and institutional failings.

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Overall, the findings reveal a common and recurrent empirical pattern in the literature, whereby online gambling, illegal online loans and sugar daddy relationships are not isolated or serendipitous phenomena, but are interrelated through a sequential escalation of financial strain and psychological distress. The findings synthesize evidence from behavioral, legal, and socio-economic research and show that gambling-related losses often precede involvement in illicit lending, which then compounds debt stress and emotional vulnerability, and leads to greater dependence on extreme coping responses. Notably, this pattern is consistently seen across several analytical techniques and circumstances, suggesting a more general structural process rather than isolated individual failure. These findings provide a basis for further theoretical interpretation, pointing to important problems of how digital financial environments, institutional gaps, and developmental vulnerabilities intersect to impact decision making among emerging people. The following discussion situates these findings within existing behavioral and sociological frameworks to consider how individual agency is conditioned by structural strain, digital platform design and normative pressures, and how such interactions produce persistent cycles of financial and social harm.

DISCUSSION

The study contributes to the knowledge of digital financial harm among the young adults in Indonesia by revealing that illicit online loans, online gambling, and sugar daddy relationships are interrelated through a sequential vulnerability mechanism rather than operate as independent risk behaviors. The synthesis of previous empirical research suggests that financial despair, once initiated by gambling-related losses, spreads through increased debt and psychological anguish, ultimately enhancing the involvement in extreme coping methods. The section analyzes the theoretical implications of the findings, their position within existing frameworks and the larger structural processes that shape youth vulnerability in digital markets.

Dynamics of Sequential Vulnerability and Escalation

The fundamental contribution of this work is to reconceptualize online gambling, illicit lending and transactional relationships as interconnected phases of a dynamic escalation process. Much of the existing literature has explored these events in isolation typically attributing them to individual moral failing, lack of discipline or a single regulatory failure. By contrast, the current results imply that risk accumulates through path-dependent transitions, with early-stage behaviors limiting later choices.

Online gambling is the most prevalent entrée into financial risk due to its cheap perceived cost of involvement and wide digital accessibility. Young individuals, especially those with unpredictable income, confront immediate liquidity difficulties when losses happen. At this point unlawful internet loans seem not optional decisions but reactive financial tools, taken in conditions of hurry and impaired judgment. The speed up of debt creates psychological stress that restricts perceived choice. Transactional connections appear possible in spite of the long-term negatives.

This escalation logic is consistent with behavioral research on loss chasing, cognitive tunneling, and stress-induced decision making, demonstrating that the changes we observe are not anomalies, but rather predicted responses to continuous financial duress.

Integration of Behavioral and Structural Explanations

The results lend credence to an integrated theoretical explanation of the data that combines the Theory of Planned Behavior (TPB) and Strain Theory emphasizing the interaction of individual agency and structural constraints.

Gambling and borrowing from a TPB perspective are influenced by attitudes toward risk, subjective norms reinforced by online groups, and perceived behavioral control facilitated by digital platforms. Losses pile up, and the illusion of control, fueled by gamification, success stories from peers and fast access to credit, leads to repeated plays.

From this, Strain Theory develops to show how economic pressure and blocked legitimate possibilities force young adults toward illicit or exploitative alternatives. The rising cost of living, instability of jobs, and lack of

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access to formal finance puts even more pressure on emerging people, especially students and early-career workers. Rather than simply deviant choices, illegal loans and transactional relationships are adaptive, although damaging, reactions to institutional exclusion under such settings.

Taken together, these models help explain why knowing danger is not sufficient to prevent behavior: rational intentions are systematically eroded by economic strain and digitally mediated opportunity structures.

The main transmission channel: debt stress

This study makes an important contribution by proposing debt stress as a main route via which adverse gambling behavior effects may be transmitted to psychological and social outcomes. Across the sources reviewed, while gambling frequency is generally used as the main risk marker, several studies suggest that the amount and structure of debt, particularly illicit loans, may be at least as informative a predictor of deterioration in mental health and escalation of behavior; no single study directly compares the two predictors within one sample, so this should be read as a pattern observed across separate studies rather than a tested statistical comparison.

The debt from illegal lenders is particularly damaging because of how it accumulates, the relentless collection tactics, and the absence of legal protections. These characteristics increase mental suffering, promote secrecy, and diminish social support, therefore maintaining prolonged involvement in high-risk behaviors. It fits with a larger body of public health research that has shown financial hardship to be a stronger predictor of mental health outcomes than the level of income alone.

The finding that debt stress is a key mechanism has ramifications for theory and intervention away from individual gambling illness and toward the design and control of monetary systems.

Economically Conditioned Coping: Transactional Relationships

Speaking about sugar daddy relationships in this paradigm is a huge shift from moralistic or cultural understanding. This synthesis suggests these interactions are better understood as downstream economic coping mechanisms, triggered when conventional financial and social resources are exhausted.

The interplay of gendered labor markets, societal expectations, and consumption pressures alongside financial difficulty creates a context where transactional relationships look practical, particularly for young women. But the power imbalances inherent in these arrangements put members at a higher risk of exploitation, emotional injury and social stigma. Importantly, the literature suggests that involvement in these relationships is often accompanied by psychological discomfort, which further limits possibilities for escape.

By putting transactional relationships inside a financial escalation pathway, this study thus adds to a deeper understanding of how personal economic exchanges are determined by structural vulnerability rather than human preference.

Institutional Amplification and Digital Ecosystems

We would be remiss not to consider the importance of digital ecosystems in magnifying these vulnerabilities. This generates a seamless ecosystem of high-risk behaviors converging across gambling platforms, digital payment providers and informal credit issuers. Algorithmic targeting and targeted advertising make sure that the lending options remain front and center while people are experiencing losses, speeding up the buildup of debt.

Weaknesses in institutions add to these vulnerabilities. Inconsistent enforcement, inadequate rehabilitation programs and fractured regulatory monitoring contribute to limited deterrence and constrained recovery routes. These circumstances create a high-risk environment for young individuals with low financial literacy, where these destructive behaviors are not only available but encouraged.

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Opportunities for Research and Policy

The findings emphasize the necessity for a comprehensive analytical and policy strategy that targets the complete vulnerability chain and not only individual actions. From a research viewpoint, longitudinal designs to capture behavioral changes over time and mixed-method techniques incorporating lived experience should be used in future studies.

Policy initiatives focusing exclusively on gambling prohibition or financial education are unlikely to be effective without addressing predatory lending practices, debt resolution systems, and psychosocial assistance. Also, the acknowledgment of transactional relationships as an economically conditioned reaction demands policy frameworks that are gender-sensitive, that broaden lawful income and support possibilities for young adults.

Alternative Pathways and Confounders

The sequential model proposed here is one plausible reading of the synthesized literature, but it is not the only one, and several alternative pathways and confounding explanations deserve explicit consideration. First, reverse or bidirectional pathways are plausible: income from an existing transactional relationship could in principle fund gambling, rather than gambling driving the relationship as a downstream response; none of the sources reviewed here rule this out. Second, unmeasured confounders — pre-existing mental health conditions, family financial background, prior debt exposure, and impulsivity or sensation-seeking traits — could independently predict both gambling participation and later financial or relationship risk-taking, producing an apparent sequence without a direct causal chain between the behaviors themselves. Third, the proposed pathway describes a modal pattern observed across studies of already-affected populations, not a deterministic or universal progression: not every young adult who gambles progresses to illegal lending, and not every debt-stressed young adult enters a transactional relationship, and the prevalence of each transition is not established by the literature synthesized here.

These alternative explanations do not undermine the conceptual value of the proposed framework, but they mean it should be read — and tested — as a set of falsifiable propositions rather than as an established empirical finding.

CONCLUSION, LIMITATIONS, AND FUTURE RESEARCH

This paper explores the sequential associations among illicit online loans, online gambling, and sugar daddy relationships among young adults in Indonesia and presents an integrative conceptual framework to comprehend the spread and escalation of digital financial dangers. This research reveals that these phenomena are not isolated or coincidental, but are part of a sequential vulnerability cycle driven by financial desperation, debt escalation and psychological distress. The conclusion is drawn through evidence synthesis across behavioral, psychological, legal and socio-economic studies.

The data suggest that online gambling is often the point of entry into financial risk because of its tremendous accessibility, low perceived obstacles, and normalization in the digital culture. Gambling losses lead to immediate liquidity limitations, which increases reliance on unlawful online loans with predatory terms and forceful repayment tactics. Psychological discomfort increases with debt, which restricts perceived options and increases engagement in extreme coping methods such as transactional relationships like sugar daddy situations. This process illustrates how structural and emotional influences progressively confine decisions, rather than being determined by isolated preferences or moral choices.

The study contributes to the existing literature in three important ways. First, it contributes to theoretical knowledge by integrating behavioral and sociological approaches to explain how digital financial environments combine with economic hardship to influence risky conduct among young adults. Second, it reinterprets sugar daddy relationships as economically conditioned responses to extended financial suffering, rather than as lifestyle choices or cultural occurrences. Third, it highlights the important significance of debt stress as a transmission channel via which gambling habit results in greater societal and psychological consequences.

ISSN 2278-2540 | DOI: 10.51583/IJLTEMAS | Volume XV, Issue VIII, August 2026

These findings have substantial consequences for research and policy. Interventions that merely focus on prohibiting gambling or improving financial literacy are unlikely to succeed unless they also address predatory lending, digital platform design and access to psychosocial support. More effective responses involve developing integrated regulations that acknowledge the ways in which financial, technological and social systems intersect to create vulnerability among young adults.

This work offers a thorough synthesis of existing findings, but it additionally emphasizes the need for future empirical research to adopt longitudinal and mixed-method designs to understand behavioral shift over time and to explore variation across gender, economic and institutional contexts. As digital finance and entertainment increase in emerging nations, identifying and disrupting these cycles of vulnerability will be key to ensure that digital inclusion fosters resilience, rather than exploitation.

There are certain limitations in this study that should be noted. Firstly the research is based on a synthetic evaluation of the current literature, rather than original source data. Such an approach promotes integration across fields and contexts, but limits the ability to make direct causal inferences at the individual level. The sequential paths described are therefore inferred from convergent empirical patterns rather than observed longitudinal transitions.

Second, a significant portion of the examined literature uses cross-sectional and self-reported data, which are prone to recall bias, social desirability bias and underreporting, especially for stigmatized activities such as unlawful gambling, illicit borrowing and transactional relationships. Therefore, prevalence and intensity of these behaviors may be underestimated.

Third, although the focus is on gendered vulnerability, little is known from current research about heterogeneity across subgroups, including differences by income, education, geographic location, and family support. Young males and non-student populations' similar coping paths are equally under-studied.

Finally, the temporal dynamics of the vulnerability cycle are not included in this work. We do not have longitudinal data, therefore we do not know how long people stay at each stage, under what conditions they exit or recover, or the probability of relapse.

Future research should consider longitudinal and mixed-method designs to track behavioral shifts over time and to improve causal inference. Panel surveys, administrative data and digital trail data may give more precise estimates of mediation effects, while qualitative approaches can shed light on decision-making processes and power dynamics. Comparative studies across regulatory settings would significantly advance understanding of how institutional environments impact digital financial vulnerability.

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