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Does the House Always Win? State Regulation, Market Dynimics, and Criminal Infiltration in the Italian Gambling Sector

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Abstract
This article analyzes Italy's gambling regulation following its liberalization since the 1990s. While intended to boost public revenue and curb illegality, the system has fostered a hybrid environment where legal and illegal practices often coexist. Drawing on qualitative data, the study highlights fiscal inefficiencies, regulatory capture, and mafia infiltration. The state's dual role—as both regulator and beneficiary—has created structural tensions, reinforcing market expansion at the expense of public health and transparency. The authors argue for a critical reassessment of the current model, advocating for evidence based, multidimensional policies that balance fiscal goals with social and institutional safeguards.

Keywords Gambling regulation · Italian gambling · Market liberalization · Regulatory capture · Organized crime infiltration

Introduction

In recent decades, the issue of gambling has emerged as a prominent policy concern in numerous European nations. Italy is a particularly salient case in this regard, having undergone a comprehensive liberalization of its gambling market since the early 1990s. This practice, once considered marginal and stigmatized, has experienced a significant transformation, evolving into one of the nation's most lucrative legal sectors. Contemporary gambling encompasses a wide array of games, distribution channels, and operators, generating substantial financial flows.

This rapid market expansion has triggered widespread debate in academic, political, and public spheres. Concerns have emerged regarding the social and health-related conse-

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quences of gambling, as well as the broader regulatory and economic implications. Concurrently, the liberalization of the gambling industry has introduced novel risks, most notably the infiltration of criminal organizations, particularly mafia-type groups, into the legal gambling sector. This phenomenon has become increasingly evident through judicial investigations and official reports from Italian law enforcement agencies.

Against this backdrop, the Italian case offers a critical opportunity to examine the strengths and shortcomings of a regulatory model that seeks to reconcile market liberalization, fiscal interests, public health protection, and crime prevention. This study assesses the effectiveness of Italy's gambling regulation by tracing its development, identifying its core features, and evaluating its outcomes, including the long-term effects of key policy decisions made over the past three decades. Special attention is given to the intricate interrelations between state institutions, market actors, and criminal networks.

These spheres of interaction take on differentiated configurations and exhibit structural vulnerabilities across multiple levels. On the one hand, they reveal a marked asymmetry in favor of private interests over public ones, which may translate into structured and enduring forms of regulatory capture (Stigler, 1971). This dynamic cannot be reduced to the emergence of specific instances of corporate crime or white-collar crime; rather, it more broadly reshapes the relationship between the state and the market, implicating both the institutional architecture of regulation and the role played by organized interests in public decision-making processes.

From this perspective, capture does not concern regulatory functions in a narrow sense alone, but extends to the capacity to exert significant influence over the allocation of public resources, the selective protection of particular interests, and, more generally, the construction of interpretive frames through which the collective costs and benefits of adopted policies are defined, legitimized, and represented (Carpenter & Moss, 2013; Capussela, 2021). Within this framework, the activities of economic actors originating from criminal milieus may also acquire analytical relevance (Hellman et al., 2000), not so much because of their direct participation in formal mechanisms of regulatory capture, but rather due to their ability to embed themselves and operate within market and governance arrangements already characterized by opacity, informational asymmetries, and institutional weaknesses (Esposito et al., 2025). These dynamics are particularly salient in the Italian case, given the multiple—and at times contradictory—objectives that state regulation in this sector is expected to pursue.

While the analysis remains focused on a single national context, the Italian experience offers in this sense a valuable lens through which to consider broader regulatory challenges. As several European countries revisit their gambling frameworks amid growing concerns over fiscal dependency, social harm, and criminal infiltration, the Italian case provides empirically grounded insights into the risks associated with liberalization-driven models. It therefore provides a critical reference point for understanding how different jurisdictions seek to balance economic growth, public accountability, and legal oversight.

The analysis is informed by a qualitative research design, incorporating a variety of sources, including institutional and legal documents, semi-structured interviews with key stakeholders, media reports, and judicial records. The article is organized into four sections. First, the institutional architecture and governance structure of Italy's gambling sector will be delineated. Secondly, we explore the key tensions and contradictions within the regulatory framework, focusing on fiscal policy, market organization, and lobbying practices.

Thirdly, an examination of the infiltration of the legal gambling market by criminal organizations is conducted, with a focus on the most vulnerable segments and the mechanisms of mafia regulation. Finally, we reflect on the implications of the Italian case in relation to the objectives of gambling policies.

This study aims to demonstrate that Italy's regulatory model has, for the most part, failed to achieve its stated objectives. The key issue, therefore, is whether the state—acting as the "house"—ultimately benefits from this arrangement or instead incurs losses. Rather than effectively addressing challenges such as illegal gambling, public health concerns, and fair market access, the current framework has contributed to the emergence of a hybrid and opaque system in which legal and illegal practices not only coexist but often reinforce one another. This configuration calls for a fundamental rethinking of regulatory strategies—one that moves beyond ideological divisions and embraces empirically grounded, multidimensional approaches.

The Italian Case

The Italian case is particularly noteworthy for having sparked a long-standing and polarized public debate, framed rhetorically around prohibitionist versus free-market positions (Rolando et al., 2020; cf. Savona et al., 2017). Those in various roles who advocate for tighter restrictions on gambling are considered part of the prohibitionist movement. The objective of this movement is to prevent or mitigate the social and health-related harms associated with gambling, especially at the community level. These critics have expressed concerns regarding the current regulatory regime and have cast doubt on the purported benefits of liberalization, particularly its fiscal returns to the state. Such revenues are often regarded as ethically problematic, given the escalating public expenditures necessitated to address the social and health ramifications of gambling. These harms have been found to disproportionately affect economically vulnerable groups, who are more exposed to the risks of compulsive gambling and gambling disorder (Sulkunen et al., 2019).

The issue of social costs lies at the heart of the debate, reflecting deeper normative and political divisions. By emphasizing the detrimental externalities of gambling on public health, prohibitionist arguments not only highlight the inherent risks associated with gambling but also underscore the paradoxical role of the state. While the state endeavors to promote the proliferation of gambling opportunities as a revenue-generating strategy, it concomitantly engenders adverse consequences that necessitate public intervention. Conversely, gambling industry actors and their trade associations have expressed opposition to more stringent regulations, citing the importance of entrepreneurial freedom and emphasizing the sector's contribution to public finances. These stakeholders often underestimate the industry's adverse impact, attributing gambling-related harms not to market expansion but to the deviant behavior of a small, manageable minority.

The debate also encompasses issues of public order (Esposito et al., 2025; Sciarrone et al., 2023). A persistent concern is the sector's vulnerability to criminal infiltration, particularly by mafia-type organizations in the Italian context (see Ferentzy & Turner, 2009; CPA, 2017; 2023; DIA, 2021). This contributes an additional dimension of ideological polarization to the public discourse, centering on the indistinct boundary between legality and illegality. Industry advocates argue that expanding the legal gambling market serves as a bulwark against illegal operations (see Orford, 2019). These advocates are supported by powerful lobbying efforts. This rationale has been repeatedly articulated by lawmakers, who have rationalized the augmentation of legal gambling options as a strategy to impede illegal activities.

Critics, by contrast, emphasize the increasing presence of mafia actors within the legal market and contend that the process of liberalization has not adequately fulfilled its promises in terms of crime prevention. These conflicting interpretations have contributed to a contentious and ongoing national debate regarding the optimal institutional framework for gambling. The broader relationship between the state and the gambling industry is at stake. This relationship has been described by Ortalli (1999, p. 35) as "a constant oscillation between the permitted and the forbidden."

While Italy has adopted of a regulatory model centered on risk management and market expansion (cf. Young, 2010), the intensity of the public debate calls into question the model's actual effectiveness. Despite the prevalence of gambling-related issues, the social sciences have historically overlooked the regulatory dimension, instead favoring a predominantly "medicalized" approach that focuses on the social, psychological, and health consequences of problem gambling (Pedroni & Scavarda, 2023, p. 170).

This article aims to address this lacuna by evaluating the effectiveness of Italy's regulatory model and assessing whether—and to what extent—it has met its intended goals, which can be broadly grouped into two domains: a) the generation of stable fiscal revenues for the state; b) the containment of illegal gambling and criminal infiltration through market legalization. The following sections examine how far these objectives have been achieved in practice. The analysis also considers the strengths and limitations of the current framework, focusing particularly on the interdependencies between the state, market actors, and criminal organizations, as well as the unintended consequences of progressive liberalization. In this respect, the Italian case offers a useful empirical lens through which to critically examine how market expansion, public interest, and legal oversight can be balanced. The findings may also be pertinent to other countries contemplating the introduction or revision of gambling liberalization policies.

Design, Methods and Data

A comprehensive qualitative analysis was conducted in two phases to investigate the foundations of Italy's current gambling regulatory framework. The initial phase entailed a systematic review of institutional and legislative documents.[1] This facilitated the reconstruction of the governance structure of the sector, the examination of its legal underpinnings, the understanding of the market logic that sustains it, and the tracing of the evolving role of key actors over time. This documentary analysis was instrumental in elucidating the sector's institutional framework and identifying the internal dynamics of the entrepreneurial supply chains involved.

To complement this work, semi-structured interviews were carried out with 15 key informants, selected through a snowball sampling approach. Participants were selected on

[1] We conducted a systematic examination of the *Gazzetta Ufficiale della Repubblica Italiana* for the period 1994–2024 to identify legislative and executive measures concerning the regulation of the gambling sector. The analysis includes all legal instruments that introduced new regulatory arrangements or altered existing provisions, including those related to taxation. Normative acts issued before 1994 were excluded, as they reflect a regulatory rationale that differs structurally from the governance framework addressed in this study.

the basis of the initial body of empirical evidence collected during the first phase of the research, as well as their direct professional involvement in the gambling sector. The sample included entrepreneurs, civil servants, politicians, civil society activists, healthcare professionals, academics, investigative journalists, magistrates, and law enforcement officers. The interviews were centered on three primary themes: the evolution and execution of the legal framework, the structuring of the market, and the function of institutional actors. Additionally, the study examined the manifestations of illegality and the infiltration of criminal elements within the domain of legal gambling.

The interview guide was organized around three core thematic areas: (1) gambling legislation, including its historical evolution, legal frameworks, regulatory references, and taxation systems; (2) market structures and dynamics, focusing on economic actors, supply chains, vested interests, and institutional relationships; and (3) illegal gambling, with particular attention to illicit practices and the involvement of mafia-type organizations. The semi-structured interviews with key informants were subjected to an interpretive qualitative content analysis, aimed at identifying causal linkages, argumentative positions, and salient analytical categories. Throughout the text, we include significant passages from some of the interviews conducted.

Concurrently, a systematic review of national media coverage was conducted to map prevailing narratives in political and public discourse around gambling.[2] The analysis has illuminated several critical issues affecting the current regulatory system, especially those related to fiscal revenues, social and health costs, the interaction between public authorities and market actors, and the overlap between legal and illegal domains at local, national, and transnational levels.

To further investigate the interaction between legal and illegal practices, the research made extensive use of judicial materials. These proved to be of the utmost importance in identifying structural vulnerabilities and the analysis of the modus operandi of criminal organizations within the sector.[3] A comprehensive review of thirty court cases revealed the infiltration of Italian gambling industry by mafia-type organizations.[4] These investigations span a broad geographical spectrum, ranging from traditional mafia strongholds in southern Italy to more recent incursions into central and northern regions. The selected cases under review all fall within the span of the last three decades, a period that corresponds with the progressive liberalization of the Italian gambling market. This review enabled us to identify the most vulnerable segments of the supply chain and to highlight structural weaknesses that have facilitated criminal infiltration. This approach sheds light on the intricate interplay between legal and illegal dynamics within the sector.

[2] Drawing on online search engines, the analysis focused on a purposively selected set of national newspapers and sector-specific outlets. In both cases, articles were retrieved through systematic keyword-based searches within the newspapers' digital archives: "gambling", "slot machines", "betting", "gambling disorder", "gambling addiction". Press sources were analyzed through a hermeneutic approach, aimed at triangulating empirical evidence and providing contextual grounding for the findings.

[3] For obvious space constraints, only a portion of the empirical material is used in this article. We have therefore selected the material most directly relevant to our research questions. For further details, see Sciarrone et al. (2023).

[4] To ensure consistency and comparability across the cases analyzed, each judicial investigation was examined on the basis of a set of variables. Specifically, the analysis considered: the types of gambling involved; the segments of the gambling supply chain; the type of criminal organization; and the role of legal actors within the criminal networks (such as entrepreneurs, professionals, public officials, or politicians).

The use of multiple sources reflects the multidimensional nature of the research questions and is embedded in a qualitative multi-source research design oriented toward analytical depth. This approach allows for a nuanced reconstruction of regulatory dynamics and their implications, while calling for caution in extending the findings beyond the case under study. Accordingly, certain dimensions—such as social and health impacts—are primarily examined through secondary sources, and references to transnational contexts serve a predominantly illustrative purpose.

Gambling as a Source of Fiscal Revenue

In Italy, the state exercises exclusive authority over the gambling sector through a legally established monopoly, administered by the Italian Customs and Monopolies Agency (Agenzia delle Dogane e dei Monopoli, ADM), a governmental body responsible for regulation and oversight, with a pronounced emphasis on fiscal objectives. Within this governance framework, private companies are granted concessions to operate gambling activities and collect revenues.

The concession system is a distinctive feature of the Italian model (cf. Marionneau et al., 2022), whereby the outsourcing of services is intended to pursue the public interest with greater efficiency, effectiveness, and cost savings. This institutional arrangement has significant implications for market formation and the selection of market actors, which is structurally constrained. Controlled access tends to generate a market configuration characterized by reduced levels of competition and the emergence of privileged positions. Concessionaires thus operate as private economic actors who benefit from selective rights conferred by the state. Other countries, particularly within Europe, rely instead on licensing schemes to allocate gambling services, under which the state does not restrict the number of operators ex ante but defines a set of legal, technical, and organizational requirements that must be met in order to operate (Rolando & Scavarda, 2018). This is the case, for example, in the Scandinavian countries, historically characterized by a strong tradition of public monopoly, which have progressively opened their markets through licensing systems (Thompson, 2025), as well as in the United Kingdom, where the sector is organized according to highly competitive market logics (Reith & Wardle, 2022).

The Scandinavian and British cases are particularly instructive, as they reflect regulatory models grounded in different rationales. On the one hand, gambling is conceived as a practice to be contained because of the negative social externalities it generates; on the other, regulation is oriented toward balancing profit objectives with consumer protection. The Italian model aligns more closely with this latter approach, despite paying limited attention to consumer protection, as is particularly evident in the prevailing conception of the gambling market primarily as an instrument of fiscal extraction.

As previously mentioned, this institutional structure is relatively recent and stems from a liberalization process initiated by the Italian legislature in the early 1990s. This represented a significant departure from the nation's long-standing prohibitionist stance. Until that time, gambling was subject to stringent restrictions. Legal options were limited to state-run lotteries, horse racing bets, and a few sports wagers, all of which were available through authorized outlets and betting shops. In contrast, other gambling activities—including roulette, slot machines, poker, and card games—were permitted exclusively in the country's four licensed casinos.

This restrictive model reflected a normative framework that regarded gambling as morally questionable (cf. Reith, 1999, 2007) and potentially harmful to public order, social health, employment, and personal savings (Rolando & Scavarda, 2016).

However, the severe fiscal crisis of the early 1990 s compelled policymakers to seek new revenue streams to avoid sovereign default. One solution that was implemented was a significant policy shift, characterized by a substantial liberalization of the gambling sector. Given its revenue-generating potential, gambling was rapidly incorporated into Italy's fiscal strategy as a "supplementary and permanent" form of taxation (ibid., p. 13). In the subsequent years, successive governments implemented legislative reforms that expanded the range of legal games and the number of authorized venues for gambling (see Table 1).

The market liberalization of the 1990 s signified a pivotal shift in Italy's regulatory paradigm for gambling, transitioning from a prohibitionist or markedly restrictive framework to one that prioritizes risk management and harm mitigation (Corica et al., 2020). This shift was accompanied by a broader transformation in public discourse, in which gambling became increasingly accepted as a legitimate form of entertainment—on par with other leisure and consumer activities (Di Francesco, 2022; cf. Bloch, 1951).

Comparable developments have occurred in other European countries, where the conventional emphasis on moral control has progressively yielded to a more pragmatic perspective that accentuates gambling's contribution to state finances (cf. Sulkunen et al., 2019). One particularly illuminating account from a key informant interviewed for this study reflects the spirit of that transformation, describing how, beginning in the 1990s:

> The stigma hasn't been eliminated—it has been repurposed, made functional. Over time, a narrative was constructed around the pathological gambler as a wretch, an illiterate, a leper. But above all, as an exception. In reality, that's not the case. The pathological gambler serves the system as a Foucauldian device that legitimizes itself. This world was completely different in the 1980 s, for example. The real issue lies in the expansionist logic of these predatory markets. We come from a Catholic tradition, and the idea of controlling deviance is central to us. That's one of the key factors behind the changes that took place after the 1980s. Add to that the fact that there's a

Table 1 Authorized gambling games in Italy

Type of games	Games
Slot machines	Awp; Vlt
Non-cash prize machines	e.g. claw machines, arcade games
Bingo	Bingo
Horse betting	Off-track and on-track horse betting; V7
Sports betting	Virtual races; sports betting pools; fixed-odds betting; Totalizator sports betting
Lottery number games with a totalizator system	SuperEnalotto, Win for life, Eurojackpot, Play Six, Superstar, SiVinceTutto
Lotteries	Traditional lotteries (Lotteria Italia); Instant lotteries (scratch cards)
Online gambling	Online bingo; Betting exchange; Online betting; Online casino games; Online lotteries
Casino games	Blackjack; Roulette; Video games; Casinò Hold'em; Slot machine

Source: authors' elaboration based on data from ADM (2022)

Table 2 Trends of gambling total wager, taxation and relationships (values in billion euros)

	2016	2017	2018	2019	2020	2021	2022
Total wager	96,18	101,76	106,85	110,54	88,38	111,18	136,07
Taxation	10,47	10,26	10,38	11,36	7,24	8,41	11,22
Percentage	10,88%	10,08%	9,71%	10,28%	8,19%	7,56%	8,25%

Source: ADM 2016; 2017; 2018; 2019; 2020; 2021; 2022

> lot of money at stake for the state, and it becomes clear why this expansion happened (Int-5, expert).

Over the past three decades, gambling opportunities in Italy have steadily increased, leading to a substantial rise in both player participation and the sector's economic impact. According to the most recent official data (ADM, 2022), the total volume of legal wagers placed by Italians in 2022 reached approximately €136 billion—the highest figure ever recorded. It is anticipated that this record will be surpassed, as certain estimations suggest that the aggregate volume in subsequent years has already exceeded €150 billion.[5] According to Matteucci (2022), Italy stands as a prominent gambling market, ranking second worldwide in terms of gambling-related financial flows, closely following the United States, China, and Japan.

The magnitude of this sector becomes even more striking when considered in relation to Italy's overall economy: gambling accounts for approximately 7% of the national GDP—an amount that surpasses the annual public expenditures typically approved through the national budget law. The total volume of wagers has exhibited a consistent upward trend over the past decade, with the exception of 2020, when government-imposed restrictions due to the pandemic led to the temporary closure of numerous gambling venues (see Table 2). This upward trajectory has accelerated in recent years, largely due to the rapid growth of online gambling platforms, which have significantly increased both access and opportunities to gamble. The subsequent section will elaborate on this evolution.

Despite the continued growth in total wagers—a trend expected to persist in the coming years—this increase has not been matched by a proportional rise in tax revenues, defying policymakers' expectations. This mismatch raises critical questions about the effectiveness of the current governance model. From a fiscal perspective, the system appears fragmented and unstable, marked by frequent legislative revisions and inconsistent taxation schemes. Each type of gambling is governed by its own tax rates and minimum payout thresholds, creating a patchwork of fiscal rules often amended through financial and budget laws. This contributes to volatility and unpredictability in public revenue from the sector.

These inconsistencies have led to significant distortions in how gambling revenues support the state budget. A particularly telling case is the imbalance between land-based and online gambling. In 2020, for the first time, online gambling overtook land-based gambling in total wagers (Fig. 1), triggering debate over the fiscal consequences of this shift. The two segments are taxed under different regimes, with online gambling typically contributing less to public coffers despite its rapid growth. This discrepancy highlights the limitations of

[5] Official statistics on the financial volumes of the sector are published annually by ADM in a report available on its institutional website. At the time of writing, data for the years 2023 and 2024 have not yet been released; only estimates included in the agency's budget documents are currently available (ADM 2024).

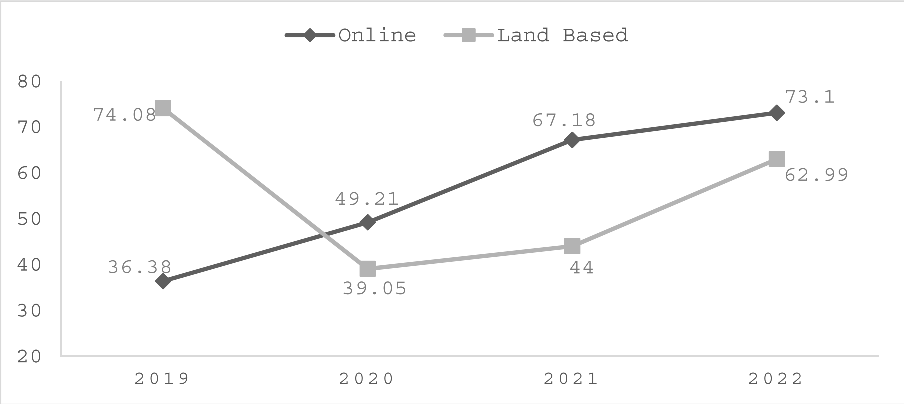

Fig. 1 Land-based and online gambling trend (values in billion euros).Source: authors' elaboration based on data from ADM (2019–2022)

the current model in securing a fair and efficient fiscal return from an increasingly digital market.

This process is indicative of a more extensive shift among habitual gamblers toward online platforms (see Sachdeva et al., 2022). Concurrently, this shift has given rise to significant concerns regarding the tax burden across the sector, particularly in light of the comparatively modest fiscal contribution of online gambling. In contrast to land-based gambling, the online segment is subject to more lenient tax regulations. Despite the substantial increase in total wagers observed in recent years, the proportion of gambling revenues allocated to the public budget has declined. As illustrated by Table 2, there is a discernible discrepancy between the volume of wagers placed and the tax revenue collected. This imbalance calls into question the original rationale for liberalizing the sector, thereby exposing fundamental structural flaws in the relationship between the state and the gambling industry.

Within this regulatory setting, the state appears to be increasingly reliant on gambling revenues, regarding them as a vital fiscal and redistributive resource (Pedroni, 2018). This reliance is largely shaped by Italy's persistent public finance challenges. The 2025 Budget Law endeavored to rectify this disparity by imposing higher taxes on gambling activities. Nevertheless, the reform encountered substantial opposition from industry stakeholders and ultimately proved unsuccessful. The tax increase was nominal and applied uniformly across all forms of gambling, failing to reflect the substantial differences in fiscal contributions between the online and land-based segments. As a result, the structural imbalance largely persisted.

In this configuration, the state functions as both a beneficiary and a catalyst in the promotion of gambling consumption, pursuing enhanced fiscal returns by perpetuating the expansion of the market (Tremblay, 2003). Nevertheless, this growth—coupled with the failure to meet revenue expectations—has exacerbated the mutual dependency between state institutions and private operators. Over the past three decades, this dynamic has contributed to the widespread normalization of gambling in Italy (Goodman, 1995; Lenzi Grillini, 2018), along with an increase in its negative externalities. A vicious cycle has been identified, whereby the pursuit of public revenue is in direct conflict with mounting social costs, particularly the growing prevalence of gambling-related health issues and the strain they place on public spending (Lombi & Pedroni, 2019).

Ultimately, from a fiscal perspective, these findings suggest that the regulatory model has not fulfilled its revenue-stabilization objective.

Public Gambling, Private Interests

The aforementioned dynamics signify a more extensive transformation in the relationship between public and private entities. As the state becomes increasingly dependent on gambling revenues—and therefore on the stability and expansion of the market—the role of licensed concessionaire firms has grown more central. This shift indicates a rebalancing of power within Italy's state monopoly model, where regulatory arrangements now appear to prioritize private economic interests over the public good (cf. Saltari, 2012). Against this backdrop, the proliferation of gambling activities in Italy appears to have followed strategic paths aligned with the interests of the industry's largest concessionaires.

The criteria employed to delineate the sector are frequently discretionary and inconsistent, thereby facilitating the emergence of diverse market configurations. The outcomes of these processes are subject to the influence of lobbying efforts by dominant economic actors. The licensing process itself is characterized by a lack of transparency and regulatory ambiguity, a situation that has enabled the solidification of certain business positions while others remain excluded. Consequently, Italy's public gambling system exhibits contradictory tendencies, manifesting as both concentrated and rigid in certain regions while maintaining a relative openness and competitiveness in others. The distribution of licenses by type of game (Table 3) highlights these inconsistencies, revealing the uneven degrees of regulatory flexibility that characterize the Italian model.

A preliminary analysis of the Italian gambling market reveals that specific segments appear to be relatively receptive to competition. These segments primarily include bingo, sports betting, and online gambling. In contrast, other systems are distinguished by oligopolistic or even monopolistic structures. For instance, slot machines are predominantly controlled by a small number of dominant operators, while lottery games remain under the exclusive management of a single concessionaire. Despite these variations, all segments share a key feature: they are protected markets with limited competition, regulated and overseen by the state. The concession system is a legal framework that enables companies to operate within specific market segments by granting them exclusive rights. This system confers substantial economic advantages, allowing companies to engage in activities that generate profit. These firms frequently occupy dominant positions, leveraging public goods

Table 3 Number of gambling concessionaires in Italy

Type of games	Number of gambling concessionaires
Slot machines	11
Bingo	186
Sports and horse betting	188
Online gambling	95
Lottery number games with a totalizator system	1
Lotteries	1

Source: Adm (2022, p. 214)

while encountering negligible or nonexistent competition. In essence, the state-owned entity functions as a de facto oligopoly, enabling a select group of economic actors to generate significant profits from their licenses.

The methods employed to award these concessions give rise to significant concerns. In numerous instances, public tenders have merely validated existing concessionaires, frequently through automatic renewals that occur without competitive bidding and under terms that are highly favorable to the concessionaires. In other instances, these same firms have secured new licenses, thereby expanding into previously restricted areas of the market (Matteucci, 2022, p. 339). Over the past decade, successive Italian governments have repeatedly delayed the expiration of existing concessions, thereby further entrenching the dominance of incumbent operators. The most recent example is the 2025 Budget Law, which extended concession contracts for a further period.

A considerable number of these corporations are multinational behemoths that oversee annual revenue amounting to billions. The influence exerted by these entities remains largely opaque. A pervasive absence of transparency characterizes their ownership structures, with numerous entities failing to comply with even fundamental legal disclosure obligations (Mandolesi et al., 2022). These firms are typically comprised of multiple operational entities, which are controlled by a holding company. The holding company itself is owned by complex chains of legal vehicles, which frequently include private equity funds or trusts. These legal vehicles are often based in offshore jurisdictions that offer low taxes and high investor anonymity. Despite the formal status of concession contracts as public documents, accessing these contracts is a challenging endeavor. Information requests of a formal nature from parliamentary bodies are frequently disregarded or deflected by the ADM, which often responds with vague or evasive justifications. This finding suggests a substantial degree of influence exerted by concessionaires over public officials, aimed at preventing scrutiny of their contractual arrangements (Int-2, Activist). A similar issue of opacity surrounds the gambling data published by ADM. This data is typically released with delays, aggregated in ways that limit analytical clarity, and accompanied by little to no methodological detail.[6]

This lack of transparency is particularly disconcerting in light of the sensitive nature and public importance of the responsibilities entrusted to these companies. It is noteworthy that these firms operate in a remarkably favorable economic environment. It has been demonstrated that, over time, gambling operators have exhibited a notable capacity to organize and promote their own interests. As one interviewee articulated:

> It feels like the market is being carved up. That's the impression, especially among the major offline gambling concessionaires. What's really striking is the intensity of their lobbying efforts toward political actors. […] No political party stands against this. There are many trade associations. They protest, take part in meetings, exert pressure (Int-8, Social and health care operator).

The analysis of the interviews conducted for this research revealed that political pressure—and, by extension, influence over regulatory bodies—emerged as a recurring theme. One particularly illuminating example is drawn from the account of an entrepreneur currently serving on the board of a licensed gambling company:

[6] As previously mentioned, the latest report published at the time of writing covers data from 2022.

> Any self-respecting concessionaire has some kind of contact—a lobbyist, someone representing them within the institutions. That goes without saying. Now, whether this person has actually shaped the rules to favor greater market concentration among large groups and the exclusion of smaller operators... I wouldn't go so far as to say that. Because, in my view, the market would have gone in that direction anyway. And even if that were the case, I try to put myself in the shoes of those tasked with regulating such a complex sector: is it easier to oversee a handful of large operators or thousands of small ones? The answer is obvious. Anyway, I can't rule out that politicians have given space to those representing significant interests, and that they may have been influenced by them (Int-4, Entrepreneur).

The influence of gambling industry groups is also evident in public discourse, where they actively promote neoliberal narratives by disseminating selective data and framing. This influenceis frequently manifested in the commissioning of statistical reports that underscore the advantages of market expansion while advocating for the rejection of more stringent regulatory measures (Censis–Lottomatica, 2021; 2023; Eurispes, 2020). These reports have a tendency to overlook—or marginalize—critical voices from civil society, particularly those that caution against the sector's negative externalities and the precipitous rise in gambling addiction and related health concerns. Furthermore, the data utilized to substantiate these studies is frequently incomplete and founded on methodologies that are only partially disclosed.

When observed through this particular lens, the Italian gambling sector serves as an illustrative example of what Streeck and Schmitter (1985) term the "public use of organized private interests." This configuration, characterized by a close association with the oligopolistic structure, is predominantly influenced by licensed concessionaire companies. In addition to formal state regulation, a network of reciprocal exchanges and representational practices has been observed, which serve to expand the influence of these private actors, often circumventing institutional safeguards. As a result, the relationship between regulators and the regulated becomes an anomalous one, as the state increasingly supports private economic gains and market growth without adjusting the fiscal framework accordingly (Mandolesi & Pelligra, 2018).

This dynamic weakens regulatory oversight and creates a power imbalance that favors industry players. Such dynamics are commonly described as "regulatory capture," was first theorized by Stigler in 1971. In essence, regulatory capture occurs when private entities, such as corporations, exert their influence to shape the very rules and institutions designed to regulate their behavior. The heightened risk is precipitated by informational asymmetry, whereby concessionaires often possess exclusive technical knowledge, thereby engendering state dependency on their expertise, which in turn compromises the state's independence (Crouch, 2011). As Tirole (2017) observes, the probability of capture is notably elevated when concession contracts provide substantial incentives, particularly when coupled with high profit margins and intensive lobbying efforts. All of these conditions are present in Italy. Matteucci (2022) identifies several signs of capture, including the revolving door between politics and business, whereby former public officials assume leadership roles in the same firms they once regulated (cf. Mandolesi & Pelligra, 2018).

Taken together, these dynamics underscore a pervasive structural subordination of public interests to private ones, whereby financial gains are privatized while associated expenses are socialized. This dynamic fundamentally undermines the principles and policy objectives that originally justified—and continue to justify—the liberalization of the gambling market.

Betting on Ambiguity

One of the most frequently cited arguments in support of the liberalization of gambling regulations is the notion that the establishment of a legal market serves as a bulwark against illegal gambling, which is traditionally controlled by organized crime syndicates. While this rationale remains prominent in political and public discourse, it is increasingly challenged by judicial findings from the past two decades, which paint a far more complex picture than that envisioned by policymakers. Despite the decline in traditional forms of illegal gambling, such as underground betting houses and illicit lotteries, criminal activity persists. Instead, there is evidence to suggest that it has transitioned into the domain of legal gambling (Esposito et al., 2025; Sciarrone et al., 2023), where law enforcement agencies have reported a significant infiltration by organized crime groups (DIA, 2021).

A salient feature of Italy's gambling landscape is its high degree of fragmentation. Each type of game is governed by its own set of rules, obligations, and restrictions, and involves a different number of licensed operators. This regulatory heterogeneity has given rise to distinct organizational models and supply chains for each form of gambling, resulting in a constellation of parallel "markets" rather than a single, unified system (Saltari, 2012).

Among the criminal practices observed, money laundering stands out as the most widespread. This practice has been documented across nearly all segments of the legal gambling industry (Commissione gioco illegale, 2022). The substantial financial transactions generated by this sector offer a conducive environment for the concealment of illicit funds and impede the effectiveness of regulatory oversight, particularly in light of the pervasive presence of gambling establishments and platforms across both physical and online domains. In numerous instances, organized crime groups allocate revenue from other illicit activities into the gambling economy itself, thereby acquiring ownership interests in enterprises operating at various points along the supply chain. On occasion, these groups even gain access to concessionaire firms (CPA, 2023). This dynamic renders the gambling sector particularly enticing for formal, albeit clandestine, criminal investment.

However, the scope of mafia involvement extends beyond mere financial laundering and investment. In various contexts, organized crime groups have been observed to exert direct and violent control over segments of the legal market. Judicial investigations reviewed for this study highlight this trend most clearly in the slot machine and online gambling sectors—two areas that exhibit structural vulnerabilities conducive to criminal infiltration.

With regard to slot machines, Italian legislation stipulates that only two formats are permissible: AWPs (Amusement with Prizes) and VLTs (Video Lottery Terminals). AWPs, which offer lower stakes and payouts, are widely distributed and may be installed in a variety of commercial premises. VLTs, which facilitate elevated wagers and winnings, are restricted to designated gambling establishments. According to the most recent data available, there are 256,252 AWPs operating across 51,169 locations, compared to 54,701 VLTs in 4,452 venues (ADM, 2022).

This structural division has given rise to distinct market configurations. The VLT segment exhibits a greater degree of vertical integration, characterized by direct contractual relationships between concessionaires and venue operators. Conversely, the AWP sector incorporates an additional tier of intermediaries, often referred to as “operators” or “gestori,” who function as brokers between concessionaires and local businesses. These intermediaries are responsible for machine distribution, contract negotiation with commercial establishments, and revenue collection management. This segment of the supply chain appears to be particularly susceptible to mafia infiltration.

The existence of this vulnerability can be attributed to several factors, including a robust territorial presence, minimal barriers to entry, and modest requirements in terms of skills or capital. These characteristics are consistent with those observed in sectors that have historically been targeted by organized crime groups (Savona et al., 2016). These sectors allow criminal organizations to exploit their core competencies, particularly their capacity for strategic violence and their extensive, deeply rooted social capital (Mete & Sciarrone, 2017; Sciarrone, 2019).

Mafia involvement in this sector takes multiple forms. Most notably, organized crime groups frequently establish forms of “illegal governance” within the market by providing protection services (see Gambetta, 1993; Campana & Varese, 2018; Lessing, 2021). In some cases, operators actively seek such protection in exchange for competitive advantages. In return for a share of the profits, criminal groups may employ intimidation and coercive practices to exert pressure on rival operators, forcing business owners to host exclusively the machines associated with the protected operator. The attractiveness of AWPs for criminal networks stems from two main factors. First, they enable the consolidation of territorial control through the credible use of violence. Second, their technical features make them particularly appealing due to their functionality and adaptability. Unlike fully digital systems, AWPs rely on a physical game board that can be manipulated directly on site, without requiring advanced technical expertise. This allows for the falsification of gambling data and the misappropriation of revenues from both concessionaires and tax authorities. In many cases, business owners accept a share of these illicit profits in exchange for their complicity. Such forms of manipulation are not feasible with VLTs, given their fully digital architecture and direct connection to a centralized software system managed by the concessionaire. Consequently, when criminal actors are actively involved in tampering with slot machines, they are simultaneously engaged in the “production” of illicit goods. Finally, there are instances in which mafia groups operate directly within the market through their own businesses, engaging not only in practices of illegal governance but also in “trading” illicit products (Campana et al., 2025).

A different, though equally vulnerable, structure characterizes the online gambling sector. According to Italian law, any form of intermediation between players and concessionaires is formally prohibited. Users are expected to place bets via personal accounts on their own digital devices. In practice, regulatory ambiguities have created loopholes that criminal actors routinely exploit. A significant source of uncertainty arises from legal disputes initiated by foreign bookmakers, who have contested the legitimacy of Italian concession tender procedures. These operators contended that the regulations effectively excluded them from the market. Consequently, they have appealed to both national administrative courts and the European Court of Justice. The resulting rulings have nonetheless been inconsistent, generating a fragmented body of jurisprudence and leaving regulatory interpretation unsettled.

In this area of uncertainty, many foreign bookmakers have operated through so-called Data Transmission Centers (DTCs)—physical venues where individuals can place bets with foreign operators—thus bypassing national licensing requirements. These venues exist in a state of legal ambiguity, operating at the intersection of legality and illegality. Another regulatory loophole pertains to the provision that authorizes concessionaires to facilitate "gaming account sales and top-up points," thereby enabling users to establish or replenish online accounts at physical retail locations. It is noteworthy that both DTCs and top-up points can be accommodated within conventional commercial spaces. The management of these entities is typically entrusted to "masters," who are local agents tasked with client recruitment on behalf of concessionaires.

These intermediaries, who frequently lack formal qualifications and maintain profound local connections, constitute an additional vulnerable link in the gambling supply chain. Their proximity to territorial dynamics renders them particularly susceptible to criminal infiltration. Mafia groups have been known to assume the role of masters, either officially or behind the scenes. They do so by leveraging their reputation and coercive power to promote favored operators and marginalize competitors.

In DTCs under the control of organized crime groups, players are often permitted to place bets on gambling websites that are not authorized by the relevant authorities. It has been demonstrated that these platforms function in a manner that is not subject to the oversight of the tax system. Furthermore, they do not adhere to the established legal standards concerning the calculation of odds or the transparency of payouts.[7]

In essence, these business models are remarkably adept at obscuring illicit activities. In the case of DTCs, regulatory loopholes and conflicting court decisions are deliberately exploited to mask the illicit nature of operations. In certain instances, organized crime syndicates have obtained gambling licenses through intermediaries in jurisdictions with lax oversight. These licenses have then been utilized by the syndicates to operate within Italy via DTCs (Picarella, 2025; Sciarrone et al., 2023).

However, the circumstances surrounding gaming account sales and top-up points present a slightly different scenario. These entities often present themselves as legitimate customer service locations for the purpose of opening or funding gambling accounts. Yet, when hosted in venues equipped with publicly accessible computers—such as internet cafés—they can offer users direct access to unauthorized gambling websites, facilitating illegal betting with minimal risk of detection. The gravity of this risk was underscored by an ADM official responsible for compliance inspections, who offered the following assessment:

> In my opinion, they shouldn't even exist. The moment you allow them to exist, it's like inviting illegality to step in. When you allow someone to open a place with ten computers, that's ten opportunities for someone to walk in, sit down, and gamble illegally (Int-14 ADM Officer).

The aforementioned scenario stands in stark contrast to one of the primary arguments posited by lawmakers to justify the liberalization of gambling: that expanding the legal market would serve to curtail illegal gambling circuits. In reality, the Italian regulatory regime appears to have fostered a hybrid space where legal and illegal activities increasingly overlap—especially in certain segments—creating conditions that are particularly favorable to organized crime (Sciarrone & Storti, 2019).

[7] As previously mentioned, the analysis presented here is based on a review of thirty judicial investigations concerning mafia infiltration in gambling markets.

At the same time, the issue of online gambling extends beyond the territorial dimension of the supply chain and points more broadly to challenges associated with globalization. The immaterial and ubiquitous nature of the internet makes regulatory oversight particularly difficult, raising issues of enforcement that cannot be addressed solely at the national level. This represents a major challenge in terms of supranational legislative harmonization and the development of technological solutions capable of limiting the spread of unauthorized gambling platforms. It is in this domain that many of the key challenges related to the control of illegal online gambling are likely to unfold in the coming decades, even when such phenomena are not directly attributable to mafia-related activities.[8]

It is imperative to acknowledge that the opacity of the sector extends beyond the realm of criminal infiltration. The structural weaknesses in the governance of the sector at both the national and local levels are equally problematic. Gambling regulation in Italy has evolved in a manner characterized by fragmentation and excessive complexity. The implementation and oversight of both conventional and novel forms of gambling have followed a disorderly course, particularly in the initial fifteen years of liberalization, which witnessed a rapid succession of legislative measures and regulatory updates. The result is a layered and often incoherent legal system, riddled with technical complexities, contradictions, and ambiguities in interpretation.

As previously mentioned, this uneven development has been driven not only by short-term fiscal needs—particularly the state's search for new revenue streams—but also by the lobbying power of major economic actors. As one interviewee astutely noted, there is an absence of.

> comprehensive planning of gambling regulation in the Italian case. Gambling is governed by a myriad of rules and loopholes. It’s a patchwork of regulations—ministerial decrees, agency-level directives. What’s missing is an overarching framework. There is a widespread regulatory anarchy that creates and multiplies problems (Int-12. Consultant).

The existing regulatory model is further complicated by actions implemented at the local level. In recent years, Italy’s regional governments have implemented a series of increasingly restrictive measures aimed at mitigating the public health risks associated with the proliferation of gambling, particularly the development of addiction and related disorders (Bassoli et al., 2021). These initiatives fall under the Regions' jurisdiction, as they are responsible for managing healthcare expenditures. In general, such measures establish limitations regarding the geographical distribution of gambling venues and the temporal parameters of their operation.

As a result, each region has adopted its own regulatory approach, resulting in significant variation nationwide and adding another layer of complexity to the overall system. This absence of coordination has been exacerbated by a proliferation of municipal ordinances—many of which are more restrictive in nature—issued independently by city councils. The net effect of these regulatory decisions is a fragmented and inconsistent system. As a gambling entrepreneur succinctly expressed:

[8] For a more detailed discussion, see Fisher et al. (2025).

> Let's say that in one city slot machines must be switched off during certain hours, while in the neighboring municipality no such restriction has been introduced: this creates a range of odd dynamics, it distorts the market. I work across several regions, and I keep a notebook where I've written down all the different regional and municipal regulations, because there's no consistent approach in these areas, and one has to adapt to this fragmented landscape. In my view, these asymmetries end up creating an opaque environment (Int-4. Entrepreneur).

The evident confusion and fragmentation within Italy's regulatory system suggest the presence of a more profound institutional conflict between central authorities and regional or local governments. The discordance between national policies and subnational initiatives has resulted in a multifaceted and opaque system of governance, thereby further exacerbating the already tenuous equilibrium between fiscal objectives and endeavors to mitigate the social and health consequences associated with gambling (Bassoli et al., 2021).

This tension is clearly reflected in the termination of a national public funding program and the dismantling of a national observatory responsible for monitoring and addressing problem gambling. A parliamentary proposal to allocate a portion of gambling revenues to regional budgets is also noteworthy. This proposal appears to be intended to discourage the implementation of restrictive local regulations.

More fundamentally, this ambivalence is indicative of the state's role as regulator, which is at the core of Italy's regulatory uncertainty. Despite the repeated efforts over the past decade to reform and streamline gambling legislation, these efforts have not been successful. As long as policy decisions continue to be driven by short-term, reactive, and crisis-oriented approaches, the prospect of establishing a coherent regulatory framework—one capable of balancing competing interests—will remain elusive.

In the end, rather than curbing illegal gambling, the expansion of the legal market has produced hybrid configurations in which legality and illegality overlap.

Discussion and conclusions

The analysis presented in this article underscores several critical deficiencies in Italy's model of gambling regulation, particularly when viewed in the context of the sector's substantial growth. A close examination of the liberalization policies implemented over the past three decades reveals that they have not adequately met their intended objectives. Instead, these policies have precipitated a series of substantial unintended consequences.

A primary concern pertains to the utilization of gambling as a fiscal policy instrument. As demonstrated in the data, the proportion of gambling revenues allocated to the state budget exhibits volatility, despite the sector's sustained financial growth. A more concerning discrepancy emerges when observing the discrepancy between the total amount wagered and the actual public revenue collected. This imbalance assumes particular significance when viewed in the context of the mounting externalities associated with the expansion of gambling, a salient example being the escalating public health expenditures that are shouldered by the state. While gambling does constitute a significant revenue stream, particularly in the context of a persistent fiscal crisis, it also fosters a problematic form of state dependency. Gambling income is seldom earmarked for specific purposes, rendering it a politically convenient yet structurally fragile source of funding. While this flexibility may be regarded as a beneficial quality, the interdependencies identified in this research suggest the presence of significant vulnerabilities with profound social implications. Greater access to disaggregated data would be essential for evaluating the extent to which these revenues are reinvested in prevention and treatment, as well as for enabling a comprehensive cost–benefit analysis.

A secondary concern pertains to the erosion of the state monopoly that underlies the regulatory model. The study demonstrates that the partial market opening to a limited number of concessionaires has resulted in a de facto oligopoly, thereby significantly shifting power toward private actors. The increasing predominance of prominent actors within the field has precipitated a privatization of public interests, thereby subjugating them to the pursuit of private profit. This dynamic is reflected in various regulatory distortions, such as the fact that firms benefit from limited competition, high profit margins, and little accountability for the sector's social harms—aside from occasional symbolic awareness campaigns (Pedroni, 2014). These imbalances are further compounded by the political clout wielded by major operators, who employ lobbying strategies to safeguard their market positions. The result is an evident instance of regulatory capture, which is perpetuated by a continuous cycle comprising legal market expansion, fiscal dependence, and private value accumulation.

It is important to emphasize that such forms of "capture" emerge within an opaque institutional environment, characterized by dense relational networks and a structural overlap between public and private roles and interests (Carpenter & Moss, 2013; Lord & Levi, 2017). Within this constellation of relationships, specific configurations of "crimes of the powerful" (Ruggiero, 2015) and corrupt practices may develop, directly linked to the capacity of particularistic and privatistic logics to permeate and condition the public sphere, shaping both decision-making processes and the production of regulation (Hellman et al., 2000).

The scope of action of organized crime groups appears to be different. The present study does not find a direct correlation between mafia presence and these forms of regulatory capture. Rather, the activities of organized crime tend to manifest primarily within market arenas, without systematic relationships with political or institutional actors, and are instead structured around forms of "illegal governance" involving alliances with professionals and entrepreneurs (Campana et al., 2025).

This distinction becomes particularly clear when assessing the effectiveness of the Italian gambling regulatory model in relation to its other main objective. As shown above, the sustained growth of the legal market has not fulfilled one of the core promises of liberalization—namely, the reduction of illegal gambling—thereby further complicating the relationship between prohibitionism and legalization (cf. Savona et al., 2017). In practice, the regulatory framework for gambling has been shaped by reactive, short-term, and emergency-driven policymaking, resulting in a fragmented and incoherent regulatory landscape. This discrepancy is particularly pronounced when examining the incongruence among national, EU, and local regulations, which has engendered an environment of regulatory ambiguity and enabled the proliferation of hybrid practices that obfuscate the distinction between legality and illegality (Sciarrone & Storti, 2019). In terms of structure, the configuration of specific gambling supply chains—particularly their decentralization and reliance on local intermediaries—has rendered them susceptible to infiltration by criminal elements and territorial control by mafia-type organizations. These vulnerabilities are particularly evident in segments such as slot machines and online gambling (Esposito et al., 2025), where the potential for tampering and concealment is both more prevalent and more financially rewarding.

When considered as a whole, these findings indicate that the Italian regulatory model has not adequately met the objectives initially established at the inception of the liberalization process. On the one hand, the financial benefits that gambling has provided to the state, often referred to as a "state cash cow," have been diminished. This is particularly evident in the context of increasing social costs and the substantial profits accumulated by a select group of concessionaires. Conversely, organized crime has not been excluded from this sector. Instead, a worrisome combination of legal and illegal practices has emerged, enabling mafia-type groups to establish a presence in both spheres. Concurrently, the social costs of gambling persist in escalating (Sulkunen et al., 2019), particularly within the domain of public health. These expenses encompass costs associated with treatment, clinical care, and psychological and pharmacological support for individuals grappling with gambling disorder. These individuals frequently exhibit comorbidities that impose an additional burden on an already overloaded healthcare system.

Beyond the immediate health and financial implications, there are also significant indirect effects that must be considered. These expenditures encompass initiatives such as public awareness campaigns, educational programs, and prevention strategies. More broadly, problem gambling has a disproportionate impact on already vulnerable populations, thereby amplifying its social impact. In the context of the labor market, the repercussions of gambling can be observed in various forms, including job instability, absenteeism, diminished productivity, termination of employment, and the accumulation of debt. These disruptions frequently extend into an individual's private life, giving rise to emotional distress, familial breakdown, separation, and, in severe cases, suicide attempts or deaths. The judicial and penal systems have also been subjected to mounting pressure, not only due to crimes committed within the legal market but also from a rise in offenses such as loan-sharking and participation in illicit gambling circuits.

These dynamics provide substantial empirical evidence highlighting the need to revise the prevailing regulatory model. Such a revision should start with a critical reassessment of the concession-based system, which appears increasingly untenable in light of efficiency, effectiveness, and public interest considerations. More fundamentally, the dominant discourse on gambling policy requires rethinking. The rhetorical opposition between prohibitionist and free-market positions obscures the complex relationship between supply, demand, and social harm. Accordingly, rigorous cost–benefit analyses must take into account the multifaceted nature of gambling as a "vice market," avoiding policy responses grounded in moralism or ideological shortcuts. When such approaches lack a foundation in empirical analysis, there is a risk that the resulting policies will be not only ineffective but also counterproductive (McCoun & Reuter, 2001).

From this perspective, it becomes evident that the prevailing regulatory model is not primarily the outcome of rational policy design, but rather of political and economic narratives that are only superficially connected to the empirical realities of the sector. As demonstrated in this article, the relationships between supply and demand, legality and illegality, are not dichotomous. Instead, they form a complex and evolving web of governance challenges and structural dependencies.

This prompts a reexamination of the pivotal function of the state. The primary challenge confronting public authorities is the reconciliation of conflicting priorities and the alignment of regulatory action with the public interest, rather than the subordination of such action to private profit. In order to achieve this objective, it is necessary to establish a clear set of political and economic goals, in addition to a shift in focus from short-term fiscal returns to the long-term consequences of gambling proliferation. In order to effectively address the challenges posed by the gambling industry, future regulatory strategies must take into account the structural characteristics of the market. These characteristics include its openness to competition, the organization of supply chains, and the scale and accessibility of gambling offers. This is a delicate task, but a necessary one if we are to minimize gambling-related harms and avoid reinforcing ideological narratives. A balanced, evidence-based approach would reduce the risk of reigniting prohibitionist calls—which, though still present, are poorly suited to contemporary gambling realities—while also curbing the excesses of unchecked market liberalization, which continues to ignore gambling's substantial social, economic, and public health costs.

In light of these considerations, several regulatory interventions can be advanced. A first priority concerns transparency and the institutional architecture of the sector, with particular reference to the role of the ADM. The concentration of fiscal, supervisory, and market-governance functions within a single institution generates structural tensions and potential conflicts of interest. In this respect, transforming the agency into an independent regulatory authority would be advisable—one whose objectives are not confined to revenue maximization but explicitly include consumer protection, following models already adopted in other European contexts, such as the United Kingdom.[9]

A further intervention could aim to broaden the range of actors involved in sector governance in order to better balance competing interests, as occurs, for example, in the Scandinavian countries (Thompson, 2025).

A second area of intervention concerns the configuration of gambling supply chains. The excessive fragmentation and capillary diffusion of gambling outlets in Italy hinder effective public oversight and generate opaque spaces of intermediation that may be exploited by forms of illegal governance. From this perspective, a greater territorial concentration of supply would help shorten supply chains, reduce points of criminal infiltration, and facilitate both the enforcement of legality and the monitoring of problematic gambling behaviors. Consistently, the elimination of physical access points to online gambling (such as top-up points and DTCs) appears crucial, as these channels contribute to maintaining grey areas between legality and illegality.

Finally, there is a need for a comprehensive reorganization of the regulatory framework aimed at overcoming regulatory hypertrophy and persistent fiscal and regulatory asymmetries. The adoption of a more coherent and harmonized framework would help rebalance the currently disproportionate relationship between gambling volumes and fiscal revenues. For such harmonization to be truly effective, it should also extend to the supranational level, requiring coordinated action capable of addressing fragmentation not only in regulatory

[9] In the United Kingdom, gambling regulation is entrusted to the Gambling Commission, an independent authority endowed not only with regulatory functions but also with explicit responsibilities for consumer protection. Authorities with a comparable mandate operate in several European countries. Although such bodies have been widely criticized for their ability to effectively balance competing interests, it remains significant that consumer protection is formally embedded among their regulatory objectives—unlike in the case of the ADM.

standards but also in jurisdiction and enforcement. Taken together, however, these proposals must be situated within the multidimensional nature of gambling, in which fiscal, economic, public health, and public order dimensions are deeply interconnected (Sciarrone et al., 2023).

Beyond the Italian context, the findings of this study resonate with broader regulatory challenges faced across Europe. Several EU member states are navigating similar tensions between liberalization, harm reduction, and crime prevention (Sulkunen et al., 2019). The Italian case thus serves as a cautionary example of how fragmented governance, fiscal dependency, and regulatory capture can undermine the public interest. A comparative dialogue across jurisdictions could foster the development of more coherent, balanced, and evidence-based gambling policies at both national and European levels. Future research could build on these findings through comparative analyses of gambling regulation in different institutional settings, and by exploring parallels with other regulated sin goods—such as alcohol, tobacco, or cannabis—where similar conflicts between market logic, public health, and criminal infiltration are often observed. While such an agenda lies beyond the scope of this research, it would offer valuable insights into how contemporary states negotiate the boundaries between economic interests and the protection of collective well-being.

Appendix

Table 4 List of Interviews

N	Year	Position	Institution
Int-1	(2022)	Politician	Italian Parliament
Int-2	(2022)	Activist	Anti-slot movement
Int-3	(2022)	Prosecutor	Anti-mafia District
Int-4	(2022)	Entrepreneur	Gambling concessionary
Int-5	(2022)	Expert	University of Pavia
Int-6	(2022)	Scholar	Anti-gambling observatory
Int-7	(2022)	Scholar	Independent research center
Int-8	(2022)	Social and health care operator	Healthcare trust
Int-9	(2022)	Prosecutor	Anti-mafia District
Int-10	(2022)	Scholar	University of Padova
Int-11	(2022)	Officer	Financial Police
Int-12	(2002)	Consultant	Parliamentary Anti-mafia Commission
Int-13	(2022)	Prosecutor	Anti-mafia District
Int-14	(2022)	Officer	Italian Customs and Monopolies Agency—ADM
Int-15	(2022)	Gambling operator	Italian betting bookmaker

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Declarations

Ethics Approval and Consent to Participate Not applicable.

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