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EVALUATING GAMBLING LEGALIZATION: A READINESS INDEX FOR POLICY AND CRIME PREVENTION

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Abstract

The rapid expansion of the global gambling industry presents a critical dilemma for modern policymakers: balancing economic revenue against severe social harms and criminogenic risks like money laundering. Rejecting the binary approach of total prohibition versus unfettered deregulation, this study advocates a rational state-management framework. By synthesizing global policy experiences from 2001 to 2025, the research contrasts successful regulatory ecosystems in Singapore and the Nordic countries with systemic failures in the United States and Ukraine. We find that safe legalization requires robust institutional resilience, stringent oversight, and preemptive public health infrastructure. Consequently, this article introduces the Legalization Readiness Index (LRI), a novel diagnostic tool evaluating state preparedness across six dimensions: institutional, public health, legal, economic, public engagement, and digital capacities. The LRI specifically empowers governments to systematically identify infrastructural deficits before enacting complex legislative reform. This comprehensive framework provides a vital strategic roadmap for emerging economies to integrate gambling into formal economic sectors while decisively safeguarding public security and sustainable social welfare.

Keywords: Legalization Readiness Index, Gambling Governance, Crime Prevention, Institutional Capacity, Harm Reduction

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Introduction

Gambling is one of the most widely debated political and public policy issues worldwide today. Since the late 20th century, as "one of the fastest-growing industries in the world" (Wohlenberg, 1992), and particularly in the 21st century, the gambling industry has seen rapid expansion, both in traditional and online forms (Molina-Fernández et al., 2023). Since 2001, countries worldwide have experienced significant shifts in attitudes and policies concerning gambling. What was once viewed as an illegal and immoral activity is now being considered for legalization under strict regulatory frameworks (Fong, 2005; Calado & Griffiths, 2016), alongside continuous monitoring and evaluation of its various impacts to inform recommendations and amendments to related rules and regulations (Barker & Britz, 2000; Nichols & Tosun, 2017; Xu et al., 2025).

In Thailand, gambling remains a "subterranean" and illegal activity (Phaksipaeng & Sonsuphap, 2018). It is considered a vice and immoral according to Buddhist teachings. However, it has long been intertwined with the daily lives of Thai people, becoming normalized and often not perceived as a violation of social norms (Srisupan, 2023). Furthermore, it constitutes a significant part of the informal economy (Sriprasert, 2014), involving substantial circulating money, to the extent that it is considered a national economic security issue (Phaksipaeng & Sonsuphap, 2018). Proposals for the legalization of gambling in Thailand (Chaiprasit, 2021; Tohmangee et al., 2024), studies on public acceptance (Boontawirod & Wongsurawat, 2015), and assessments of potential impacts (Panakit, 2018) have been ongoing. These discussions have even been adopted as economic policies by the Move Forward Party during the 2023 general election campaign, which proposed legalizing casinos, including online casinos, under state regulation (BBC, 2023). Efforts to enact legislation continued under the Paetongtarn Shinawatra government, specifically a draft law titled "Draft Act on Integrated Entertainment Businesses B.E. ..." or "Integrated Entertainment Complex Act" (Prachatai, 2025).

The conceptual conflict regarding the state's role in gambling reflects a tension between differing perspectives. One side believes the state should prohibit gambling and strictly regulate it to prevent social harm. The other side argues that the state should legalize gambling and manage it to generate revenue and reduce illegal gambling problems (Wardle et al., 2019). This debate involves not only economic and social dimensions but also cultural values, moral standards, and principles of state governance within each society.

Over the past two decades, technological advancements and the COVID-19 pandemic have accelerated the transition to online gambling (Håkansson, 2020; Håkansson et al., 2020). This has presented new challenges for states in regulating and controlling cross-border gambling activities. Concurrently, there has been a significant increase in awareness of public health issues related to gambling, emphasizing not only the prevention and treatment of individual problem gamblers but also addressing social, economic, and commercial determinants influencing population gambling behavior (Wheaton et al., 2024).

A key question this study seeks to answer is: What is a rational stance for the state to adopt regarding gambling, and how should it define its role and public policies concerning gambling in the current context? To systematically address this question, the study sets five objectives: 1) Synthesize the impacts of gambling legalization based on the experiences of various countries in the 21st century. 2) Synthesize the conditions for success in countries that have legalized gambling and gained more benefits than disadvantages. 3) Synthesize lessons learned from countries that have not succeeded or have faced challenges due to gambling legalization. 4) Develop a "Legalization Readiness Index" for countries considering implementing this policy. Moreover, 5) Critically analyze and propose appropriate public policy guidelines.

This study adopts a systematic integrative review approach to synthesize empirical evidence and policy frameworks regarding gambling legalization. To ensure methodological

transparency, the review process was guided by the principles of the Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA), specifically adapted for public policy analysis. The literature corpus encompasses peer-reviewed articles, government white papers, and legislative documents published between 2001 and 2025, retrieved from major databases including Scopus, Web of Science, PubMed, JSTOR, TCI, and Google Scholar. Data extraction utilized a deductive-inductive thematic coding process; predefined structural dimensions of state capacity deductively guided initial coding, while an inductive approach allowed emergent themes—such as criminogenic asymmetry and regulatory arbitrage—to refine the analytical framework iteratively. This robust thematic synthesis directly informed the conceptualization of the Legalization Readiness Index (LRI) as a diagnostic tool for evaluating state preparedness against socio-legal risks.

Impacts of Gambling Legalization: Lessons from Global Experience

The legalization of gambling has multi-faceted impacts on both individuals and society as a whole. These effects are complex, encompassing both positive and negative aspects, and vary significantly across countries.

Positive Impacts

From an economic perspective, the legalization of gambling generates revenue for governments through taxes and licensing fees. The case of West Virginia, USA, demonstrates that after the legalization of sports betting in 2018, the state accrued new tax revenues of \$2.6 million (Humphreys, 2021). In Ukraine, the legalization of the gambling industry since 2020 has led to a significant increase in state revenue through substantial taxes and license fees paid by operators (Bublyk, 2025).

Furthermore, the gambling industry creates jobs and stimulates local economies, particularly through integrated resorts or full-service casinos. Examples from Singapore and Macao illustrate how the development of tourism-integrated casinos can attract international tourists and add significant value to the broader economy (McCartney, 2016). In 2013, Macao's gambling revenue reached \$45.2 billion, more than seven times that of Las Vegas (Wang, 2014).

Negative Impacts

However, the legalization of gambling also brings significant negative consequences, notably problem gambling, the prevalence of which varies across countries and gambling formats. Global studies indicate that the rate of gambling addiction among adults ranges from 0.1% to 5.8%, with an average of approximately 2.3% (Calado & Griffiths, 2016). Countries with the highest rates include Hong Kong (5.6%), Macao (6.0%), and South Africa (6.4%), while Nordic countries, such as Sweden, show lower rates (1.3%) (Håkansson et al., 2018; Hofmarcher et al., 2020).

Online gambling presents particularly high risks. A study in Pennsylvania, USA, after online gambling was legalized in 2017, found that 11.1% of the population engaged in online gambling, and among these, 43.9% experienced at least one symptom of problem gambling (Russell et al., 2024). In Spain, the legalization of online gambling since 2012 has led to a "new profile" of problem gamblers, typically young adults aged 18-30 who primarily wager on online sports and accumulate online debt (Barrera-Algarín & Vázquez-Fernández, 2021).

The social and mental health impacts of gambling are not limited to players alone but also affect concerned significant others, including spouses and children, who may experience mental health issues, strained relationships, and financial instability (Riley et al., 2018). A study in Sweden estimated the annual social cost of problem gambling, including healthcare expenses, lost productivity, and reduced quality of life, to be substantial (Hofmarcher et al., 2020).

The link between gambling and crime, especially money laundering and organized crime, remains a significant concern. Gambling is often used as a channel for laundering illicit funds, particularly through online gambling and casinos, making it challenging to monitor and control (Kuzmenko et al., 2022). A study in Indonesia found that approximately 600 trillion Rupiah circulates through online gambling, with funds transferred to Southeast Asian countries, including Cambodia, Vietnam, Thailand, and the Philippines (Susanto et al., 2024). Beyond the direct nexus with organized crime, the legalization process introduces the risk of “criminogenic asymmetry”—where inconsistencies between legal and illegal markets create opportunities for regulatory arbitrage. Specifically, without robust Anti-Money Laundering (AML) and Counter-Terrorism Financing (CFT) protocols, legal gambling venues can inadvertently serve as conduits for layering illicit proceeds. The integration of cryptocurrency in online gambling further complicates this landscape, necessitating advanced forensic capabilities that many developing jurisdictions lack. Consequently, a rational state policy must not only criminalize illegal operators but also actively dismantle the financial infrastructures that allow shadow economies to parasitize the legal gambling sector (Lastra et al., 2016; Kuzmenko et al., 2022).

Intense gambling advertising, especially following the legalization of online gambling, impacts youth and vulnerable groups. Comparative studies between countries have shown that individuals exposed to online pop-up advertisements have a higher risk of developing gambling problems (Oksanen et al., 2021).

Table 1 Positive and Negative Impacts of Gambling Legalization

Dimension	Positive Impacts	Negative Impacts
Economy	Tax and fee revenue for the state; employment creation; tourism (McCartney, 2016; Humphreys, 2021; Bublyk, 2025)	Loss of revenue from other tax forms (substitution effect); revenue instability (Humphreys, 2021)
Society	Legal entertainment services; infrastructure development (Wang, 2014; McCartney, 2016)	Family problems; social discord; inequality (Riley et al., 2018; Hofmarcher et al., 2020)
Public Health	Easier access to treatment; increased awareness (Clune et al., 2024)	Problem gambling; depression; suicide (Fong, 2005; Calado & Griffiths, 2016; Russell et al., 2024)
Law and Security	Reduction in illegal gambling; improved regulation (Sperkach & Kytun, 2019; Aidah & Pratama, 2022)	Money laundering; transnational crime; challenges in law enforcement (Lastra et al., 2016; Kuzmenko et al., 2022; Susanto et al., 2024)

Lessons from Successful Countries: Models and Factors of Success

Countries that have successfully legalized gambling, generating economic benefits while limiting negative impacts, share several key characteristics.

Singapore: A Model of Strict Control and Integration

Singapore stands out as a prime example of successfully introducing casinos under a stringent regulatory framework. Following extensive public deliberation, the Singaporean government decided to permit only two casinos, Marina Bay Sands and Resorts World Sentosa, operating as integrated resorts focused on tourism and entertainment. Key preventive measures include: (1) an entry levy for citizens and permanent residents of SGD 150 per day or SGD 3,000 per year, aimed at reducing local access; (2) self-exclusion and family exclusion programs; (3)

strict advertising restrictions; and (4) the allocation of a portion of revenue to problem gambling prevention and treatment programs (Ng & Austin, 2016; Aidah & Pratama, 2022). The outcome of this policy has been a significant increase in international tourist arrivals, with 15.5 million tourists in 2013, a 50% increase from pre-casino levels. Concurrently, the government has maintained a low rate of problem gambling among the local population through strict regulation and investment in public health programs (Lee, 2016).

Nordic Countries: A State Monopoly Model for Public Health

Nordic countries, notably Finland and Norway, employ a state monopoly model for managing gambling. The principle behind this approach is that a monopoly is better at mitigating gambling harm than a free market. In Finland, the state wholly owns and operates all gambling activities, with all revenues dedicated to public purposes, including charity, sports, and culture (Nikkinen & Marionneau, 2020).

The strengths of this model include: (1) direct state control over marketing and advertising, reducing exposure for vulnerable groups; (2) continuous investment in research and prevention programs; (3) tracking of all player data, enabling rapid intervention; and (4) transparency in revenue allocation and oversight (Järvinen-Tassopoulos et al., 2024). However, recent studies indicate a decline in public opinion towards Finland's state monopoly system between 2015-2019, despite structural improvements, reflecting challenges in maintaining public trust and facing competition from offshore operators (Macey et al., 2023).

Australia and New Zealand: Shifting Towards a "Gambling Harm" Framework

Australia and New Zealand have shifted their approach from focusing solely on the "problem gambler" to a broader "gambling harm" framework. This perspective aligns with public health principles, recognizing that gambling harm is not limited to those with a clinical diagnosis but also includes individuals and their families experiencing lesser negative impacts (Rodda et al., 2024).

Both countries have developed tools to measure gambling harm, such as the Short Gambling Harms Screen (SGHS), which can detect harm at its early stages. Additionally, gambling operators are required to exercise a "duty of care" towards players, including implementing advertising restrictions, setting betting limits, and establishing self-exclusion systems (Baxter et al., 2019). The challenge these two countries face is the high number of electronic gaming machines (EGMs or poker machines) per capita, which directly correlates with problem gambling rates. Research has shown that reducing the number of EGMs and controlling their characteristics can mitigate harm (Markham et al., 2017; Delfabbro et al., 2020).

Table 2 Successful Countries' Regulatory Models and Factors of Success

Country/Region	Regulatory Model	Factors of Success	Outcomes
Singapore	Integrated Resort with limited numbers; high entry fees for locals (Ng & Austin, 2016; Aidah & Pratama, 2022)	Careful planning; public engagement; strict preventive measures (Lee, 2016)	Increased tourism; high revenue; low problem gambling rate among locals (Lee, 2016; Ng & Austin, 2016)
Nordic Countries	State monopoly; all revenues for public benefit (Nikkinen & Marionneau, 2020; Macey et al., 2023)	Market control; player tracking; investment in prevention (Macey et al., 2023; Järvinen-Tassopoulos et al., 2024)	Low problem gambling rate (0.1-1.3%); revenue for charitable causes (Hofmarcher et al., 2020)
Australia/New Zealand	Regulated market; "gambling harm"	Developed harm measurement tools; duty	Improved detection and intervention

Country/Region	Regulatory Model	Factors of Success	Outcomes
	framework (Baxter et al., 2019; Rodda et al., 2024)	of care legislation; ongoing research (Engebø et al., 2021; Thompson, 2025)	systems; high public awareness (Rodda et al., 2024)

Lessons from Unsuccessful Countries: Challenges and Mistakes to Avoid

Learning from the failures or challenges of various countries is as crucial as studying their successes. These experiences highlight the risks and errors that countries considering the legalization of gambling should be aware of.

United States: Rapid Expansion Without Preparedness

Following the U.S. Supreme Court's legalization of sports betting in 2018, states rushed to open their sports betting and online gambling markets, primarily aiming to generate tax revenue. However, this rapid expansion brought several problems.

Firstly, gambling advertising, particularly for sports betting, increased massively without adequate regulation, leading to greater exposure for youth and vulnerable groups. Studies have found a correlation between sports betting advertising on social media and during sporting events and an increase in gambling problems among young adults (Ozer et al., 2025).

Secondly, the varying tax structures and regulatory frameworks across states created confusion and enforcement gaps. A study in West Virginia found that, despite new tax revenue from sports betting, tax revenue from video lottery terminals (VLTs) decreased by \$45.4 million due to players switching to sports betting (a substitution effect), resulting in a net decrease in state revenue (Humphreys, 2021).

Thirdly, the healthcare and treatment systems were unprepared for the anticipated increase in gambling problems. Many states did not allocate sufficient resources for prevention and treatment programs before market opening, leading to overwhelmed systems when problems arose (Petry & Blanco, 2013).

Spain: Weak Advertising Control and Youth Issues

Spain legalized online gambling in 2012 and permitted extensive advertising. The consequence was a rapid increase in gambling problems among young adults. Studies found that after online gambling legalization, a "new profile" of problem gamblers emerged, primarily 18-30 year olds betting on online sports, accumulating high debts, and experiencing severe psychosocial problems (Barrera-Algarín & Vázquez-Fernández, 2021).

Spain's primary failure was the initial absence of strict advertising limits. Gambling advertisements were ubiquitous, even appearing during sports events watched by many young people, which contributed to the normalization of gambling. The Spanish government later had to enact new laws to restrict advertising, but the damage had already been done (Molina-Fernández et al., 2023).

Ukraine and Eastern European Countries: Law Enforcement and Corruption Issues

Ukraine legalized gambling in 2020 after decades of prohibition, to generate state revenue and reduce the black market. However, its implementation faced several challenges.

The primary issues were the weakness of regulatory institutions and corruption. Gambling regulatory bodies had limited resources and lacked independence, leading to inefficient licensing and oversight. There were reports that some operators circumvented regulations through bribery (Sperkach & Kytun, 2019).

Moreover, Ukraine's gambling legalization was not accompanied by adequate public health infrastructure. There were no comprehensive prevention and treatment programs, and public awareness campaigns about gambling risks were lacking. As a result, when problems arose, people were unsure where to seek help (Sperkach & Kytun, 2019).

Russia: Ineffective Gambling Prohibition

Russia offers an enjoyable, contrasting experience, having attempted a complete ban on gambling. In 2009, the Russian government declared casinos and most gambling illegal, except in four designated remote areas, to combat gambling-related problems and crime.

However, this policy did not achieve its intended goals. Firstly, illegal gambling increased significantly, especially online gambling operated from abroad, which the state could not control. Secondly, the government lost tax revenue previously collected from legal gambling. Thirdly, problem gamblers received no help, as they feared seeking official assistance due to the illegality of the activity (Khataev & Margieva, 2020). Russia's experience demonstrates that outright prohibition may not be an effective solution, particularly in the digital age, where cross-border online gambling is easily accessible.

Table 3 Problems/Challenges and Causes of Failure in Unsuccessful Countries

Country	Problem/Challenge	Cause of Failure	Lesson Learned
USA	Rapid expansion; substitution effect; youth problems (Humphreys, 2021; Ozer et al., 2025), e.g., Pennsylvania - high online gambling problem rate (43.9% of players) (Russell et al., 2024)	Lack of preparedness; insufficient advertising control; lack of interstate consistency (Humphreys, 2021), e.g., Pennsylvania - no screening and early intervention (Russell et al., 2024)	Require adequate preparation time; control advertising; assess impact beforehand (Humphreys, 2021), e.g., Pennsylvania - establish screening; early intervention; public health infrastructure (Russell et al., 2024)
Spain	Rapid increase in youth gambling problems; high debt (Barrera-Algarín & Vázquez-Fernández, 2021)	Advertising not limited; lack of public education; smartphone ubiquity (Barrera-Algarín & Vázquez-Fernández, 2021; Molina-Fernández et al., 2023)	Limit advertising from the outset; public education programs; protect vulnerable groups (Barrera-Algarín & Vázquez-Fernández, 2021; Molina-Fernández et al., 2023)
Ukraine	Weak law enforcement; corruption; money laundering (Sperkach & Kytun, 2019; Kuzmenko et al., 2022)	Weak institutions; lack of transparency; insufficient resources (Sperkach & Kytun, 2019; Lilia & Myroslava, 2025)	Strengthen institutions; promote transparency; implement anti-corruption measures (Sperkach & Kytun, 2019; Lilia & Myroslava, 2025)
Russia	Increased black market; cross-border online gambling; loss of revenue (Khataev & Margieva, 2020)	Overly strict prohibition; not aligned with reality; lack of legal alternatives (Mashinskaya, 2019; Khataev & Margieva, 2020)	Prohibition may be ineffective; offer legal alternatives; ensure good regulation over prohibition (Khataev & Margieva, 2020)

Legalization Readiness Index (LRI)

Drawing from the synthesis of experiences in both successful and unsuccessful countries, this study proposes a Legalization Readiness Index (LRI). Various countries can utilize this

composite index to assess their preparedness before deciding to legalize gambling. The index comprises six crucial dimensions.

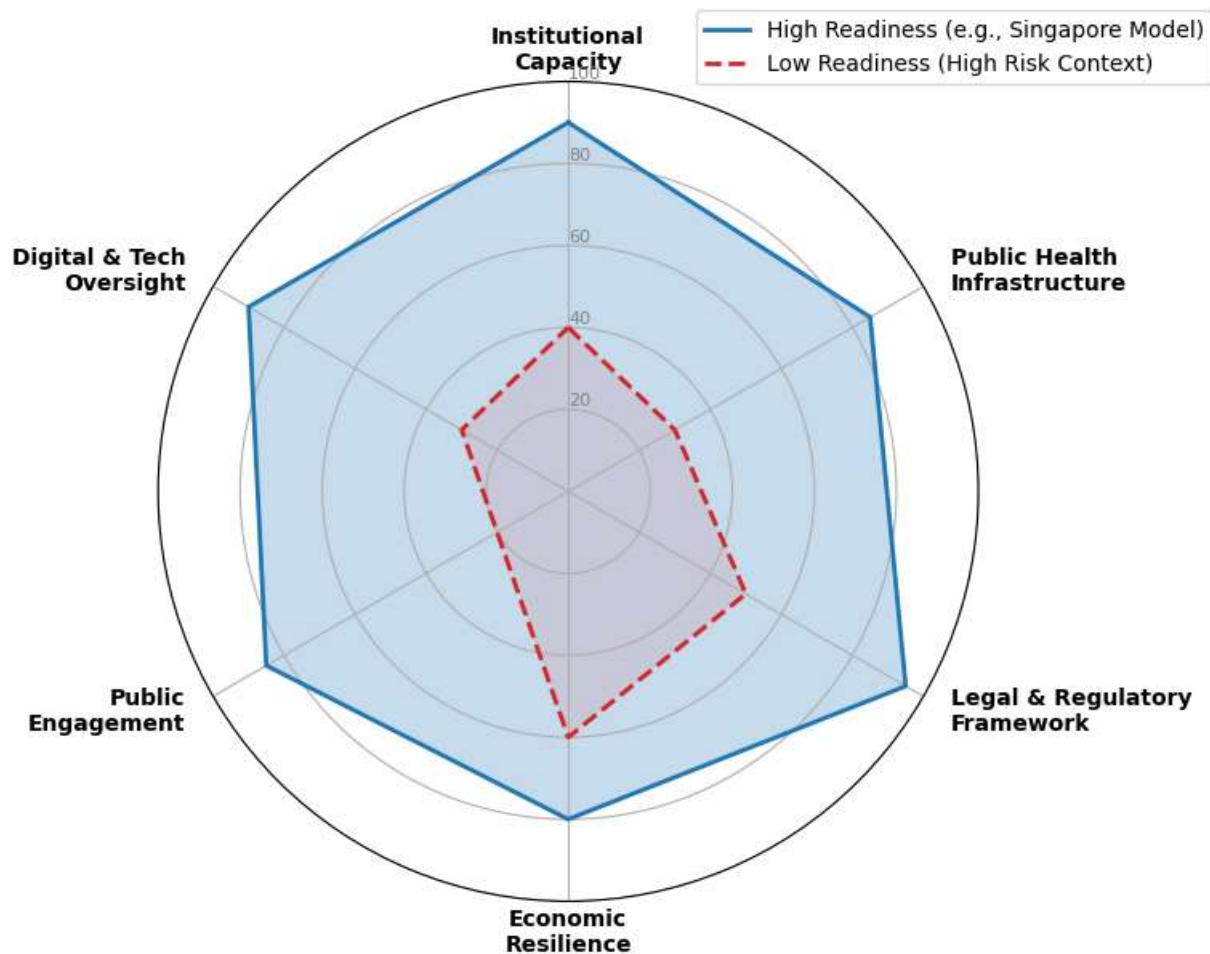


Figure 1 The Legalization Readiness Index (LRI) Framework

As illustrated in Figure 1, the LRI is constructed as a hexagonal framework that reflects the interdependence among the six critical domains required for the safe legalization of gambling. Unlike linear models that prioritize economic gain, this radial configuration treats each dimension—ranging from Institutional Capacity to Digital & Technological Oversight—as equally weighted pillars of the regulatory ecosystem. The plotted area visualizes a state's comprehensive readiness: a balanced, expansive shape indicates a robust policy environment capable of mitigating social risks, whereas a contracted or skewed shape highlights specific vulnerabilities (e.g., strong legal frameworks but weak public health infrastructure). This visual diagnostic empowers policymakers to identify deficits 'at a glance' and prioritize resource allocation before proceeding with legislative reform.

To operationalize the LRI, this framework proposes a qualitative scoring mechanism whereby each dimension is evaluated against a maturity model ranging from “Nascent” to “Optimized.” This diagnostic approach allows policymakers to identify specific deficits in their national infrastructure—whether in digital oversight or public health capacity—before proceeding with legislative changes. Unlike binary assessments of legalization, the LRI functions as a dynamic risk-management tool, emphasizing that “readiness” is not a static state but a continuous process of institutional fortification.

1) Institutional and Regulatory Capacity: This dimension evaluates the ability of state agencies to regulate and enforce gambling laws effectively. Indicators include: (1) independence and

transparency of regulatory bodies; (2) capacity for oversight and law enforcement; (3) level of corruption in the bureaucratic system; and (4) efficiency of the legal and judicial systems (Ukhova et al., 2024). The experiences of Singapore and Nordic countries demonstrate that strong institutions are a crucial foundation for success, while Ukraine's problems highlight the dangers of weak institutions (Sperkach & Kytun, 2019; Lilia & Myroslava, 2025).

2) Public Health and Social Infrastructure: This dimension assesses the readiness of public health systems to prevent, detect, and treat gambling problems. Indicators include: (1) availability of prevention programs and public education; (2) readiness of treatment and counseling services; (3) existence of monitoring and surveillance systems; (4) availability of developed and tested harm measurement tools such as PGSI or SGHS; and (5) training of public health personnel (Clune et al., 2024). Australia and New Zealand serve as good examples of the development of public health infrastructure before and during the legalization of gambling (Baxter et al., 2019; Rodda et al., 2024).

3) Legal and Policy Framework: This dimension evaluates the comprehensiveness and suitability of laws and policies. Indicators include: (1) clarity of gambling laws; (2) regulations concerning advertising and marketing; (3) measures for protecting vulnerable groups, such as youth and problem gamblers; (4) licensing and operator oversight systems; and (5) tax structures and revenue allocation (Marionneau et al., 2025). A comparison between Singapore, with its strict and comprehensive laws, and the United States, with its state-by-state variations, demonstrates the importance of a consistent and transparent legal framework (Ng & Austin, 2016; Aidah & Pratama, 2022).

4) Economic and Fiscal Readiness: This dimension assesses preparedness for managing economic and fiscal impacts. Indicators include: (1) capacity to collect and manage gambling revenues; (2) existence of plans for allocating revenue for public benefit; (3) assessment of economic impacts, including substitution effects; and (4) preparedness for revenue volatility (Humphreys, 2021). The experience of West Virginia warns countries to be cautious about overly optimistic revenue expectations and to consider substitution effects (Humphreys, 2021).

5) Public Engagement and Social Acceptability: This dimension evaluates the level of public participation and opinion regarding gambling. Indicators include: (1) extensive public consultation; (2) public opinion on gambling; (3) public understanding of the risks and benefits; and (4) mechanisms for public feedback and complaints. Research in Finland indicates that even with a well-functioning system, a negative or declining public opinion can undermine the policy's legitimacy (Macey et al., 2023).

6) Technological and Digital Infrastructure: This dimension assesses the capacity to manage online and digital gambling. Indicators include: (1) ability to monitor and control online platforms; (2) systems for tracking and analyzing online player behavior; (3) measures for preventing money laundering and online fraud; and (4) availability of self-exclusion systems and automatic betting limits (Marionneau et al., 2025). Sweden's experience developing player-tracking systems and automatic deposit limits during the COVID-19 pandemic highlights the importance of digital infrastructure (Håkansson et al., 2022; Nikkinen, 2024).

Calculating the Legalization Readiness Index

The LRI can be calculated by scoring each dimension on a 0-100 scale and then averaging the scores, weighted by dimension. While these weights can be dynamically adjusted to reflect specific national contexts, the proposed baseline weighting theoretically prioritizes Institutional Capacity (25%) and Public Health Infrastructure (25%) as the fundamental prerequisites for safe legalization. The rationale is structural: without robust regulatory enforcement and preemptive harm-reduction systems, secondary dimensions such as economic optimization or digital oversight become highly susceptible to systemic failure and criminogenic exploitation. Consequently, the remaining dimensions are weighted to reflect their supportive roles: Legal and Policy Framework (20%), Economic and Fiscal Readiness

(10%), Public Engagement (10%), and Technological Infrastructure (10%). Readiness levels are categorized as: 80-100 = high readiness; 60-79 = medium readiness; 40-59 = low readiness; below 40 = not ready. Countries with a score below 60 should exercise caution and strengthen their preparedness before deciding to legalize gambling.

Rational Stance and Appropriate Public Policy: Answering the Main Research Questions

Based on the synthesis of literature and experiences from various countries in the 21st century, this study proposes that the state should adopt a stance of rational management rather than outright prohibition or complete deregulation. Key principles for this approach are as follows: Principle 1: Acknowledge the Reality that Gambling is Already a Social Activity. The experiences of Russia and other countries that attempted outright gambling prohibition demonstrate that such bans may not eliminate gambling but instead push it into an unregulated black market, making it harder to control and leading to increased criminal activity (Khataev & Margieva, 2020). In the digital age, citizens can easily access online gambling from abroad. Therefore, prohibition does not solve the problem; instead, it deprives the state of its regulatory capacity and forgoes potential revenue that could be used to address gambling-related issues.

Principle 2: Recognize Gambling as a Public Health Issue. The state should shift from a punitive view of problem gamblers or perceiving gambling as solely an individual problem, towards viewing it as a public health issue that requires population-level interventions to prevent and reduce harm (Wardle et al., 2019). This implies that the state must invest in public health infrastructure, develop surveillance systems, and establish effective prevention and treatment programs (Langham et al., 2015; Latvala et al., 2019).

Principle 3: Implement Strict and Comprehensive Regulation. The state should establish a strict, transparent, and effectively enforced regulatory framework. Singapore's experience shows that rigorous regulation can simultaneously yield economic benefits and prevent harm (Ng & Austin, 2016; Aidah & Pratama, 2022). Regulation must be comprehensive, covering all aspects, from licensing and advertising control to protecting vulnerable groups, and must include continuous monitoring and evaluation.

Principle 4: Consider Each Country's Context and Preparedness. There is no "one-size-fits-all model" for managing gambling. Each country has distinct cultural, economic, social, and institutional contexts. The successful state monopoly models in Nordic countries, for example, may not be suitable for larger, more culturally diverse nations (Macey et al., 2023). Therefore, the state should use the Legalization Readiness Index to assess its own preparedness and to design policies appropriate to its specific context.

Principle 5: Allocate Revenue for Public Benefit and Problem Resolution. Revenue from gambling should be transparently allocated to public purposes, particularly to programs aimed at preventing and treating problem gambling. The experience of Nordic countries demonstrates that using all revenue for public benefit legitimizes the policy and helps mitigate negative impacts (Nikkinen & Marionneau, 2020).

Principle 6: Ensure Public Participation and Transparency. Decisions regarding gambling policy should involve extensive public consultation and transparency at every stage of the process. Singapore's experience, with its broad public discussions before casino legalization, helped build public understanding and acceptance (Henderson, 2012).

Appropriate Public Policy

Based on the aforementioned principles, this study proposes a public policy framework consisting of five pillars:

- 1) Regulation and Enforcement: By establishing independent regulatory bodies with sufficient resources and effective enforcement powers.

- 2) Prevention and Harm Reduction: By developing comprehensive prevention programs, including public education, advertising restrictions, and protection for vulnerable groups.
- 3) Treatment and Support: By ensuring accessible and quality treatment and counseling services.
- 4) Surveillance and Research: By creating continuous surveillance and monitoring systems for gambling problems and supporting research to improve policies.
- 5) Corporate Responsibility: By mandating operators to implement a duty of care towards players, including detecting and intervening with those at risk.

Conclusion, Discussion, and Recommendations

This study synthesizes experiences across countries regarding the legalization of gambling in the 21st century. It presents an analytical framework for answering the crucial question of what stance the state should adopt towards gambling in the current context. The synthesis indicates that gambling is a complex social phenomenon that cannot be solved by outright prohibition or unregulated liberalization. The appropriate stance involves rational management under a public health framework that emphasizes prevention and harm reduction.

Academically, this study fundamentally reframes the theoretical discourse on gambling governance. By rejecting the reductive binary of neoliberal deregulation versus punitive prohibition, the research advances a paradigm of state-capacity-driven regulatory capitalism. The introduction of the Legalization Readiness Index (LRI) marks a critical methodological shift—providing a quantifiable diagnostic mechanism that transitions public policy from post-hoc crisis management to preemptive institutional design. Furthermore, the study underscores that preventing criminogenic asymmetry and public health crises requires a deeply interdisciplinary architecture that integrates political economy, criminology, and behavioral medicine to build a resilient regulatory ecosystem.

Regarding public policy implications for countries considering gambling legalization, this study recommends that they should (1) assess their readiness before making a decision, utilizing the LRI or similar tools; countries with low readiness should first strengthen their institutions and infrastructure. (2) Conduct extensive public consultations to build understanding and acceptance. (3) Design context-appropriate policies, avoiding blind replication of models from other countries without considering cultural and institutional differences. (4) Establish a strict regulatory system with adequate resources and independence. (5) Invest in public health infrastructure before or concurrently with market opening. Moreover, (6) Implement continuous monitoring and evaluation systems to refine policies.

Figure 2 visualizes the operational framework derived from the study's policy recommendations. It transforms abstract guidelines into a structural workflow, illustrating that legalization is not a linear process but a cyclical one. The cycle prioritizes the "LRI Diagnostic" as a mandatory gatekeeping phase (Step 1). Crucially, the diagram emphasizes the "Institutional Fortification Loop" (Path A), demonstrating that countries that fail the readiness assessment must revert to capacity building rather than proceed to legislation. Furthermore, the inclusion of a "Policy Feedback Loop" (from Step 3 to Step 1) ensures that post-legalization monitoring data is not merely archival but actively informs future readiness reassessments, thereby creating a resilient and adaptive regulatory ecosystem.

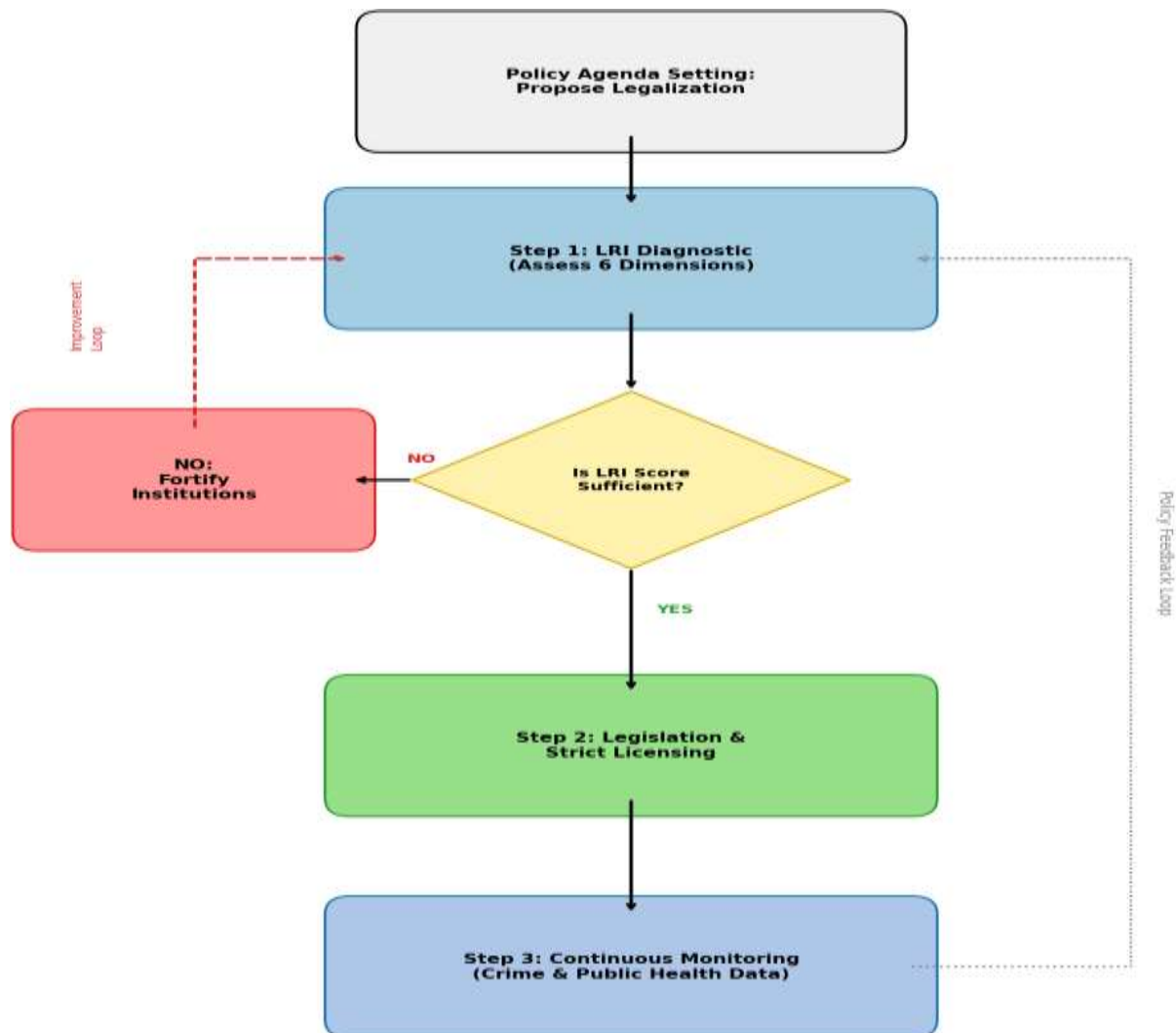


Figure 2 The Rational State Policy Cycle

In addressing current debates, this study contributes to several key academic and public policy discussions. The first is the debate between "individual responsibility" and "social determinants" regarding the explanation of gambling problems. This study argues that focusing solely on individual responsibility is too narrow and can lead to ineffective policies. Instead, the state should prioritize social, economic, and commercial determinants that promote gambling behaviors, such as aggressive advertising, overly easy access, and product designs that encourage continuous play (Wardle et al., 2019; Forrest, 2025).

The second issue is the debate over appropriate regulatory models, specifically between state-monopoly and regulated-market models. This study demonstrates that both models can succeed when appropriately designed and implemented. However, state monopoly models have advantages in market control and revenue allocation for public benefit, whereas regulated market models may offer greater flexibility and competitiveness (Nikkinen & Marionneau, 2020; Macey et al., 2023).

The third issue concerns the relationship between gambling revenue and policy sustainability. Many countries face a "conflict of interest" in which governments desire gambling revenue but also need to prevent gambling harm (Andresen, 2006). This study proposes that the solution to this conflict is a clear separation of functions between revenue-generating agencies and regulatory and harm-prevention bodies, along with transparent mechanisms for revenue allocation.

A significant contribution of this study is the introduction of the Legalization Readiness Index. This tool enables countries to systematically and comparatively assess their preparedness, a development previously unexplored in the gambling literature. Furthermore, this study is among the few that comprehensively synthesizes global experiences over the first 25 years of the 21st century, employing a truly interdisciplinary approach that integrates perspectives from multiple fields. Above all, this study challenges two common simplistic beliefs in gambling discussions. The first is the belief that "legalizing gambling will generate immense revenue for the state without significant costs." Evidence from several countries shows that revenue may not be as high as expected due to substitution effects, and social costs from gambling problems can be substantial. The second belief is that "prohibiting gambling will eliminate the problem." Experience demonstrates that prohibition often pushes gambling into the black market, which is harder to control and creates more problems.

Nonetheless, this study has certain limitations that should be noted. Firstly, the literature synthesis primarily relied on research published in English and Thai, potentially overlooking significant experiences from other language contexts. Secondly, the proposed Legalization Readiness Index still requires further testing and refinement by applying it to various countries. Thirdly, this study did not delve deeply into the differences between various forms of gambling (e.g., traditional casinos, sports betting, online gambling), which may have different impacts and require distinct policies. Therefore, future research should focus on (1) testing and developing the LRI to enhance its validity and reliability, (2) in-depth studies on the differences between various gambling forms and appropriate policies for each, (3) long-term monitoring of policies, especially in newly legalized countries, (4) studying the effectiveness of prevention and harm reduction measures, and (5) developing improved methods for measuring and assessing gambling harm at the population level.

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