ISSN: 2158-7051
====================

INTERNATIONAL
JOURNAL OF
RUSSIAN STUDIES

====================
ISSUE NO. 9 (2020/2)

GAMBLING IN RUSSIA: POLICIES, MARKETS, AND RESEARCH

VIRVE MARIONNEAU*

Summary

This paper provides an overview of Russian gambling market, policies, and research. Following a series of legal reforms since 2006, the Russian gambling market context has become highly restrictive but gradually expanding. The National Lottery and bookmaking industries are increasingly popular but online gambling remains prohibited and casino and electronic gambling machines are only allowed in gambling zones located in remote corners of the Russian Federation. The illegal markets remain significant. The Federal state has been regaining control over the gambling markets to align regulation and profitability, but the new market environment has also created financial interests among private corporations as well as regional treasuries. Research on problem gambling is also becoming more established, although no prevalence studies on gambling problems have been conducted. The paper concludes by considering needs for further policy attention.

Key Words: Gambling, Russia, policy, market, beneficiaries, research.

Introduction

Russia has a long history of gambling and gambling regulation. In the 18th century, gambling was not only an aristocratic leisure, but players also paid a special gambling tax to support orphanages. During the 19th century and despite legal ambiguity, gambling spread to all socioeconomic groups, particularly the nobility and military (Tsytsarev & Gilinsky, 2009). It is also during this era that classical Russian authors took up the topic of gambling, producing world-famous works such as Alexander Pushkin's *The Queen of Spades* (1834), Feodor Dostoevsky's *The Gambler*

(1866) and Ivan Turgenev's *Smoke* (1867). Particularly Dostoevsky's description has been taken up in gambling studies as an excellent depiction of the experience of pathological gambling (Kingma, 2017; Reith, 2006) and as a portrayal of the desire to gamble as characteristic of the Russian people (Shepel', 2007).

After the Socialist Revolution of 1917, gambling became publicly condemned and in 1918, the Bolsheviks maintained that gambling was a bourgeois activity that had no place in the new communist society. Following from these developments, the government issued a new decree '*On the prohibition of the organization of lotteries'* closing down all gambling business. Only two exceptions remained: lotteries that were used to generate income for the regime (Sohan, 2012), and horse races which were used by the Red Army to breed horses for the cavalry corps (Tarasov, 2010). The spread of gambling was minimal, although illegal opportunities flourished among criminals and in large urban centers and resort towns at the Black Sea (Sohan, 2012; Tsytsarev & Gilinsky, 2009). Toward the end of the Soviet regime, more gambling opportunities were introduced. A new 'Sportloto' was introduced in 1976 to raise funds for the Moscow Olympics in 1980. In 1988, 226 EGMs (electronic gambling machines) were installed in Intourist hotels around the Soviet Union to cater for foreign visitors, and in 1989 the first Soviet casinos opened in Tallinn and Moscow (Haworth, 2008; Tarasov, 2010).

The collapse of the Soviet Union and an ensuing void of a legal and regulatory framework allowed gambling opportunities to mushroom across the Russian territory (Tsytsarev & Gilinsky, 2009). By 2006, 6,300 gambling establishments were operating with a license and about 3,000 lotteries by 300 companies were available. Although the gambling sector was a major employer, extensive gambling opportunities created social costs. No population studies on problem gambling are available from the period, but researchers (Arhameyko & Kutashov, 2015; Shepel', 2007) have suggested that the prevalence of gambling problems and associated social costs increased significantly owing to wide availability of gambling. In addition, state control over gambling and its taxation were weak and the majority of companies lacked legal licensing (Tsytsarev & Gilinsky, 2009). The newspaper Pravda (2003) estimated that while government revenue from gambling was approximately 5-13 million USD, another 300-340 million USD in tax revenue were evaded.

The Russian government began to regain control of the market as of 2006. On the 4th of October, president Vladimir Putin proposed new legal measures. This led to the Federal Law No. 244-FZ of December 29, 2006 *'On state regulation on the organization and management of gambling operations, and on amending individual legislative acts of the Russian Federation*' banning all casino and EGM gambling in Russia outside of four designated gambling zones as of 2009, as well as introducing licenses for bookmakers and totalizator betting. The law sets a strong state control on the gambling industry and restrictions on operations. Online gambling was also prohibited. In December 2013, an amendment to the Federal law of November 11, 2003 N 138-FZ '*About lotteries*', banned all private lotteries effective as of 2014.

Media commentators have justified the restrictive legislation in terms of protecting the youth from gambling problems, reducing social costs of problem gambling, breaking the ties between legal gambling and organized crime, protecting the lower socioeconomic groups from gambling, safeguarding the Russian identity, but also as a means of improving the efficiency of taxation (Vasiliev & Bernhard 2012). This paper discusses the current situation of gambling in Russia considering these legislative reforms. Under increased governmental control, legal gambling in Russia is gradually becoming 'an exuberantly flourishing branch' (Koltsova et al., 2018: 199). In what follows, the focus is on drawing a general picture of the gambling context of Russia by analyzing the impacts of the policy framework on the legal gambling markets, the beneficiaries of legal gambling, and the state of gambling research in and on Russia.

Current markets and policies

Following the legislative reforms that have taken place in Russia since 2006, the legal gambling markets currently consist of three sectors: state lotteries, casino and EGM operations in gambling zones, and bookmakers that operate both online and offline. All other online gambling remains prohibited. A population survey (N=1,602) from 2017 commissioned by Bookmaker Ratings and conducted by the Levada Centre found that 11 percent of the Russian adult population had gambled during the previous year. The most popular games were the lottery, followed by cards, casinos, EGMs and betting (Reiting bukmekerov, 2017). The popularity of gambling had somewhat increased from a previous survey conducted in 2009 (Fond Obschsestvennoe Imenie, 2009) in which 8 percent of respondents (N=2,000) had played during the previous six months.

Lotteries

In December 2013, an amendment to the 2003 law 'On lotteries' was passed. Effective as of 2014, the law banned all private lotteries. In 2013, the Russian state budget had lost an estimated 10 billion RUB a year due to unpaid taxes from gambling companies. (Newsprom, 2016). As of 2014, only state lotteries have been allowed to operate in the market. Two ministries operate state lotteries: The Ministry of Finance under the name Sportloto and the Ministry of Sports under the name GSL (Gosudarstvennye sportivnye loterei, State Sports Lotteries). The monopoly license to distribute lottery products for both lotteries is granted to the privately owned and operated Stoloto (lotto one hundred). In 2017, the turnover of GSL and Sportloto amounted to 37 billion RUB, of which GSL made up 34.6 billion RUB (93.5 percent market share). Growth has been rapid. In 2016, the turnover of the state lotteries was 24.8 billion RUB (up from 13.6 billion RUB in 2015, mainly due to a doubling of ticket prices) (Timelottery, 2018).

Casinos and EGMs

As of 2009, after the transition time provided by the 2006 law, casino and EGMs operation is legal only in designated gambling zones. The aim was to develop Las Vegas type destination gambling at distance from major cities. The zones are located in Kaliningrad, Altai, Primorye, and Krasnodar territory (Azov City, later Sochi). The fifth gambling zone in the Crimea was announced in 2014, but the political situation surrounding the peninsula has slowed down developments (Dolzhenkova & Kravchenko, 2015) (see Figure 1).

Figure 1: Gambling zones in Russia

1. Kaliningrad, 2. Primorye, 3. Altai, 4. Krasnodar, 5. Crimea
(Map adapted from the Russia edcp location map.svg (by Uwe Dedering), CC BY-SA 3.0,
https://commons.wikimedia.org/w/index.php?curid=31700470.)

The gambling zones have been developing rapidly, with major investments and construction underway particularly in Primorye in the Russian Far East and at the Black Sea shore in Krasnodar. In 2016, Azov City was the most profitable gambling zone (Betting Business, 2017), and it was also the first to open a casino. However, in October 2018, Prime Minister Dimitri Medvedev signed an order confirming the liquidation of the Azov City gambling zone by the end of 2018 because of the creation of a new gambling zone in Sochi. The move was prepared since 2015 despite opposition by providers located in Azov City, to maintain tourism in the city of Sochi after the 2014 Winter Olympics. In addition to Krasnodar, the Primorye zone is particularly attractive to investors owing to its geographical location close to major Asian population centers, and tax incentives offered to investors (Kozlovskaya & Kravchenko, 2015).

The centrally-led establishment of the gambling zones met with initial resistance particularly in the Altai Territory and Kaliningrad, where local officials attempted to persuade the federal government to build the zones elsewhere (Haworth, 2008). The development of the zones has also faced logistical problems due to lacking infrastructure and unwillingness of operators to relocate in remote areas (Haworth, 2008; Shkolik, 2009). Kozlova (2014) has argued that the need for major investment in developing the gambling zones has led the Russian gambling industry to favor large corporations and businesses and created inequalities between regions. Consumers appear to have nevertheless welcomed the legislative change. In a 2009 population survey (Fond Obschsestvennoe

Imenie, 2009), 73 percent of respondents considered the gambling zones positively.

Bookmakers

A licensing system for land-based bookmakers was defined in the 2006 gambling law. Licenses are given out by the Federal Tax Service. A Federal Law of July 21, 2014 No. 222-FZ '*On amendments to the Federal Law* [244-FZ]' also introduced the concept of interactive bets, paving the way for online bookmakers. The first online operations were launched in 2016. The bookmaking industry is currently one of the fastest growing sectors of the Russian economy (Reiting bukmekerov, 2017), but also strongly controlled. Russian bookmakers accept bets on both sports and horse racing, although horse racing is significantly less popular.

Licensed bookmakers are required to be members of self-regulatory organizations, although the Ministry of Economic Development is preparing to abolish this system as it overlaps with the regulatory work of the Federal Tax Service (Calvinayre, 2018). Online bets are also processed via so-called TSUPIS systems (Payment Processing System for Online Gambling Transactions), which are bodies responsible for processing all interactive gambling transactions in Russia. This system has required punters to register both on the bookmaker website and then to provide the same information for the TSUPIS payment system that is affiliated with that bookmaker. However, the complexity of this registration process has led players to unlicensed offer and a bill to simplify the registration has recently been approved by the Duma (Calvinayre, 2019). The same bill will also improve consumer protection online, as it sets limits for individual bets and for weekly transactions (Calvinayre, 2019).

In 2017, 1.9 percent of the Russian adult population had placed a bet within the last 12 months (Reiting bukmekerov, 2017). The estimated turnover of the bookmaking industry, both legal and illegal, amounted to 677 billion RUB (10.1 billion USD). The Reiting bumekerov (2017) report estimates that 60 percent of this was gambled on the legal market and 40 percent on the illegal market. Currently, 29 bookmaking companies hold an official license for bookmaking in Russia. 11 of these also accepts bets online. Online betting represents approximately 62 percent of the market. Operators are both Russian-owned and international corporations that have established a legal entity in Russia. However, according to Reiting bukmekerov (2017), the lack of transparency in Russian gambling policy has somewhat hindered the expansion of the sector.

Illegal markets

The Russian underground gambling market is estimated to be significant (eg., Kozlova, 2014). The creation of the gambling zones has not thwarted casino and EGM operations, but rather moved them underground (Anosova & Kravchenko, 2015; Haworth, 2008). Between 2009 and 2011, the Prosecutor's office of the Russian Federation uncovered 25,031 illegal lottery clubs and 3,900 illegal casinos (Sohan, 2012). The underground casino market is still estimated to be worth about 6 billion USD (Newsprom, 2016), while the underground bookmaking market, including the VIP *igry s ruku* (hand-held games) is estimated to be worth about 520 billion RUB (7.9 billion USD) (Reiting bukmekerov, 2017).

As online gambling in Russia is illegal, save for the online operations of bookmakers and National lotteries, a large proportion of online gambling takes place on unlicensed websites. Control takes up significant state resources and has been argued to bear a risk of corruption (Serikova & Serikov, 2013). Russia nevertheless continues its efforts to stamp out illegal gambling via IP blocking and blacklisting. An amendment to the Criminal Code (Federal Bill 478806-6 of December 2014) imposed strict penalties for non-compliance to gambling businesses operating outside the gambling zones or online (also Koltsova et al., 2018). Draft laws have also been submitted to penalize Russian nationals participating in unlicensed gambling and imposing sanctions on payment providers. By 2018, the Federal Service for Supervision of Communication, Information Technology and Mass Media of the Russian Federation (Roskomnadzor) had blocked over 76,000 online domains (Focus Gambling News, 2018), including some of the largest European operators such as Betfair, Unibet and Ladbrokes.

Taxation and beneficiaries of gambling

The gambling surplus refers to the excess amounts that remain after winnings and all costs have been paid (also Young & Markham, 2017; author, 2019). This extra money is usually directed to investors, company profit, and to states via taxation and other levies. In Russia, the gambling surplus is similarly divided between regional state budgets via taxation, earmarked contributions, and company and/or investor profit. While the share of profit and dividends remains marginal or negative owing to the relative immaturity of current market structures, the surplus collected to the Russian society is set by law via a mandatory percentage of GGR (Gross Gambling Revenue, total gambling revenue minus winnings) to be paid either in taxes or as contributions (author, 2019).

Russia is a federal state, and the taxation of gambling takes place mainly at the regional level. As in the major part of Europe, the organization and conduct of gambling are exempt from VAT. Income and expenses related to gambling are also disregarded in the calculation of corporate tax. Instead, winners pay personal income tax (NDFL, 13 percent for residents in Russia) on gambling winnings, mostly withheld at source. The NDFL is regional and partly municipal (Koltsova, 2018).

The bulk of tax revenue raised from gambling comes from the gambling tax. The 2004 Law 142-FZ '*On gambling tax*' sets that the proceeds are transferred to the federal subjects of Russia. The tax is counted based on the number of taxable items, determined in the Tax Code of the Russian Federation (nalog.ru) (see Table 1). These include machines, counters, or processing centers, but does not apply to lotteries. The tax rates for these vary between regions, within the range set by law. However, most federal subjects have applied the highest rate (nalog.ru). The law changed on the 1st of January 2019, doubling the taxation rates (federal tax law of 25th of December 2018, N 117-F3).

Table 1: Taxation of gambling objects in Russia (nalog.ru, Law N 117-F3)

Type of game	**Monthly tax 2004-2018**	**Monthly tax 2019-**
EGM	1,500 - 7,500 RUB	3,000 - 15,000 RUB
Table game	25,000 - 125,000 RUB	50,000 - 250,000 RUB
Tote processing centre	25,000 - 125,000 RUB	50,000 - 250,000 RUB
Bookmaker processing center	25,000 - 125,000 RUB	50,000 - 250,000 RUB
Tote betting point	5,000 - 7,000 RUB	10,000 - 14,000 RUB
Bookmaker betting point	5,000 - 7,000 RUB	10,000 - 14,000 RUB
Online gambling processing center	n/a	2,500,000 - 3,000,000 RUB

In 2016, the tax on gambling businesses amounted to 809.4 million RUB, up from 623 million

RUB in 2015, mainly due to increases in the numbers of taxable objects. The largest share of this revenue (404.9 million RUB) came from the casino sector, followed by bookmakers (379.9 million RUB) and totalizator betting (24.5 million RUB) (Betting Business, 2017). Between 2013 and 2015, the number of gambling operators paying tax had grown from 39 to 728, or an increase of 1,867 percent. The most significant growth came from a rise in the number of bookmaker betting shops. Their number increased in the period by a factor of 116. The least increase was registered in gambling tables, which only rose by a factor of 2.1. In 2015, bookmaking raised 61.33 percent of gambling taxes. EGMs raised 20.29 percent, Table games 16,27 percent and tote betting shops 2.11 percent (Koltsova et al., 2018 based on information provided by the Russian tax office NALOG).

These amounts are nevertheless comparatively low. Casinos operating in gambling zones were initially expected to pay about 3-7 percent of their turnover in gambling tax (Kozlovskaya & Kravchenko, 2015), which is significantly less than in most other countries and jurisdictions (e.g., Egerer et al., 2018; author, 2019). For example, in France, casinos may pay up to 80 percent of their GGR in tax (Marionneau & Berret, 2018). According to Kozlova (2014), as the gambling industry is developing in favor of large corporations, this also limits the potential to collect tax revenue. The low return to society is attributed to less mature markets, but the Russian taxation system by gambling item also appears to be discouraging to smaller operators and to benefit larger interests. As the Russian market becomes more established, it is therefore also likely to become more concentrated in the hands of a few companies, as has been the trend in other countries previously (e.g., Markham & Young, 2015).

Earmarked contributions apply to National Lotteries and bookmakers. National Lotteries contribute 10 percent of their GGR (or approximately 5 percent of turnover) to sports-related earmarked causes, including sports infrastructure, youth sports and veteran sports. This share is also comparatively low. European lotteries return an average of 26.2 percent of their turnover to society via taxes or earmarked contributions (European Lotteries, 2017). The low contribution to society is partly explained by high cost of sales related to subcontracting distribution to Stoloto which represents up to 30 percent of GGR. (Kommersant, 2015). This is a high figure in comparison to other European lottery companies, which average distribution costs of about 15 percent (author). In addition to lotteries, bookmakers are required to make contributions to professional and youth sports. This sum represents 5 percent of profits since 2017 (Reiting bukmekerov, 2017). Bookmakers are also significant sponsors in Russian sports leagues.

The main financial beneficiaries and stakeholders of gambling proceeds in Russia are summarized in Table 2.

Table 2: Summary of the markets and beneficiaries of gambling in Russia

Sector	Operation	Gambling surplus	Main beneficiaries
Lotteries	State (Ministries via public companies and private distributor)	10 % of GGR to earmarked causes (sports). Taxation of winnings to regional budgets	Regional budgets (taxes), sports associations (contributions), Distributor (stoloto)
Casinos and EGMs	Private companies with license (Russian and foreign investors)	Gambling taxes and taxes on winnings to regional budget. Other corporate taxation.	Regional budgets (taxes), private profit (operators, investors)
Bookmakers	Private companies with license (Russian and foreign but legal entity in Russia)	Gambling taxes and taxes on winnings to regional budget. Other corporate taxation. 5 % of GGR to earmarked causes (sports).	Regional budgets (taxes), sports associations (contributions, sponsorships), private profit (operators)

Research on gambling and problem gambling

Russian gambling research has increased significantly after the collapse of the Soviet Union and particularly since the legal reform of 2006. A significant body of research exists particularly on the historical gambling culture in Russia during the 18th and 19th centuries (e.g., Keenan, 2012; Helfant, 2001, 2003; also Tsytsarev & Gilinsky, 2009) and the history of gambling regulation (Kovtun, 2009; Sohan, 2010; 2012). The legal ramifications of the Russian gambling system, the relationship of gambling to organized crime and corruption, as well as illegal gambling operations have also attracted research attention (e.g., Mosechkin, 2015; Liholetov, 2014; Vasiliev, 2014; Bondarenko & Terechin, 2011).

Research interest in problem gambling (*ludomania* or *igromania*) has also increased, although it has been limited by a lack of statistical, epidemiological or prevalence studies. The first clinical definition of pathological gambling in Russia was drawn in 1990 based on metrics used in problem gambling screens in western contexts (see Tsytsarev & Glinsky, 2009). Research interest in the topic has particularly expanded during the 2010s alongside developments in better accounting for gambling problems in treatment and in legislation. An amendment to Article 30 of the Civil Code of the Russian Federation on the 1st of March 2013, established that in addition to those who abuse alcohol and drugs, the legal capacity of pathological gamblers may be restricted, and they may be placed under guardianship (see also Serikova & Serikov, 2013). In 2018, the Ministry of Finance submitted a draft law that would allow gamblers to self-exclude from gambling establishments, and to set spending limits at licensed bookmakers (Betting Business, 2018). The currently prepared bill to simplify registration with bookmakers accomplishes this by setting limits on bets and transactions (Calvinayre, 2019). Age limits have also been set to 18 for lotteries and bookmaker bets.

Problem gambling research in Russia has been heavily focused on the root causes of gambling problems, and related early identification and intervention (also Tsytsarev & Glinsky, 2009). Recent studies have looked at pathological gambling as a brain disease (Andreyev & Nazarova, 2014), but also through psychoanalysis (Avtonomov, 2009), social psychology (Karpov, 2011) and as a motivational craving that has gambling as its goal object (Tsytsarev & Glinsky, 2009). Zaitsev and Shaydulina (2003) have described the development of problem gambling through game cycles that vacillate from abstinence to fantasies, decision to play and implementation. According to the authors, erroneous beliefs and an irrational attitude contribute to maintaining the cyclical mechanism.

Researchers have also looked at gambling as a manifestation of other underlying psychiatric disorders and comorbidities such as psychological trauma (Tsytsarev & Glinsky, 2009) and suicidality (Bisaliev et al., 2011). Malygin et al. (2010) studied 110 pathological gamblers in Russia between 2006 and 2008 and found that 36 percent had co-morbid alcoholism.

The treatment of problem or pathological gambling in Russia is organized based on international experience, and consists of both pharmacotherapy and psychotherapy, most often cognitive-behavioral therapy or 12-step programs (Arhameyko & Kutashov, 2016). Treatment is organized by psychological and medical institutions and private clinics alongside alcohol and drug abuse, as well as gamblers anonymous groups.

No prevalence studies on pathological gambling have been conducted in Russia, but some opinion polls on attitudes toward gambling are available. Kassinove et al (1998) studied Russian attitudes toward gambling during the 1990s which was a period of extensive availability of gambling. Results showed that attitudes to gambling (N= 171) were mainly positive and similar to those in the United States. Based on available evidence, attitudes harshened since. A 2007 opinion study conducted by The Public Opinion Foundation around the 2006 legal reforms restricting access to gambling showed that 20 percent of respondents gambled, and 50 percent of respondents supported removing EGMs from public spaces (see Shepel, 2007). Some years later, Holma et al. (2011) investigated perceptions on addictions and social problems in four northern contexts, including St. Petersburg residents (N=1,023). In comparison to results obtained from Sweden, Finland, and Canada, the St. Petersburg participants considered gambling a more serious social problem. This result was attributed to extensive media attention given to gambling during the study period, following the law to remove casinos outside four gambling zones. Finally, a 2014 survey (Liholetov, 2014) showed that 60 percent of respondents had a negative attitude to gambling while only 5.5 percent regarded gambling positively. 80.6 percent of respondents expressed particular concern for minors.

Despite the significant policy changes that have taken place in Russia during the 2000s, there have not been many evaluation studies on their impacts. One survey study conducted in the city of Tomsk in 2012 (N=297) showed that after the removal of casinos and EGMs from the area, the number of players gambling offline decreased by a factor of three to six depending on the age group. However, at the same time participation in online gambling had increased particularly among male respondents (Serikova & Serikov, 2013). Research on the effects of responsible gambling measures or policies have nevertheless not been conducted.

Conclusion

Russian gambling has undergone several changes in the last decade. After the dissolution of the Soviet Union, and an ensuing regulative void, gambling opportunities mushroomed across the Russian territory, and brought along increasing problems but also difficulties in collecting tax from operations. As of 2009, a series of legal reforms has again changed the gambling landscape in the country. Although the impacts of these legislative changes have not been extensively studied, the popularity of gambling and the profits made by the Russian gambling industries are growing, alongside the surplus collected for beneficiaries of gambling. A new wave of popularity of gambling is taking place in Russia, and this development is likely to continue as markets become more mature. However, based on the descriptive account on gambling in Russia presented in this paper, it is possible to identify three problematic features in the Russian market that require further political and research attention.

First, illegal and unlicensed gambling still hold a significant share of both online and offline markets in Russia. Blanket bans on online gambling have been shown to be ineffective in other jurisdictions, leading players to gamble on unlicensed websites that may not have a high standard of consumer protection while not benefiting to the public purse (e.g., Sulkunen et al., 2019). Koltsova et al. (2018) have suggested that increasing revenue needs are likely to increase the number of licenses granted to operate gambling in Russia in the near future. Although Russia exerts a comparatively strict control over the Internet (Vendil Pallin, 2017), this may also include opening the online markets.

Second, the role of gambling-related problems is still relatively unknown in Russia, mainly due to a lack of statistical evidence. Although the law of 2006 was primarily justified in terms of public interest and the protection of vulnerable groups, there are no prevalence studies available to this effect. In 2009, Tsytsarev and Gilinsky (2009) outlined a need for more treatment and help facilities for problem gamblers in both inpatient and outpatient settings, preferably funded by the gambling operators, as well as a need for warning and campaigns on gambling prevention particularly amongst the young. Even though gambling research is becoming more established in Russia, these most suggestions appear to be still valid today as they are in many other countries (Sulkunen et al., 2019). However, some development has taken place, particularly in the form of age and spending limits on gambling products.

Third, and again like in other countries (e.g., Egerer et al., (eds), 2018; author), several stakeholders have an interest in gambling revenue and the gambling surplus in the private and the public sectors. The licensed gambling markets, consisting of bookmakers and casinos, benefit domestic and international investors and corporations, and the market appears to be concentrating in the hands of a few large operators. However, in comparison to most other European countries, the Russian specificity appears to be the division of the gambling surplus to society mainly via regional taxation. As elsewhere, in Russia gambling provides a significant revenue source for governments, and an opportunity to reduce budgetary deficits without introducing or raising taxes (Serikova & Serikov, 2013). Gambling is also regulated by the Federal Tax Service in Russia, suggesting that the financial justification is significant. However, the 2009 reform saw 78 of the 83 Russian regions and territories lose this source of revenue, creating inequalities between Federal subjects. Shkolik (2009) has estimated that the revenue loss from the removal of casinos and EGMs in Moscow and the Sverdlovsk region was about two percent of their respective local budgets that were already on deficit. The tax plan of the Ministry of Finance has suggested increasing the taxation of bookmakers tenfold to fill regional budgets (Kommersant, 2017), but this will also likely mean significant increases in gambling offer.

This paper has been limited to a descriptive account of gambling in Russia. The focus has been particularly on the market environment and regulatory context, as well as on describing the taxation and financial interests related to the gambling sector. The paper has also presented an overview on the prevalence and treatment of problem gambling, but further discussion on this topic has been restricted due to inexistent data. More research is therefore needed to estimate the levels of gambling problems in Russia, but also the impacts of the restrictive legislative reforms on gambling-related problems. This would also shed light on the on-going debate on how restrictions on availability impact the levels of problem gambling (see e.g., Sulkunen et al., 2019). The paper has nevertheless provided a summary on current gambling research in Russia, as well issues that will need further political attention.

Bibliography

Andreev, I., & Nazarova, L. Igrayushhij mozg. Kto igraet v azartnye igry: gejmer, ego mozg ili oba?, Psixicheskoe zdorov'e, 12(4), 87-96, 2014.

Anosova, P., & Kravchenko, A. Vliyanie igornogo biznesa na predprinimatel'skuyu aktivnost' v Primorskom krae, Fundamental'nye issledovaniya, 7(11), 1377-1381, 2015.

Avtonomov, D., O psixoanaliticheskom ponimanii ehtiologii, patogeneza i klinicheskoj kartiny zavisimosti ot azartnyx igr, Nezavisimyj psixiatricheskij zhurnal, 4, 80-87, 2009.

Axramejko, A., & Kutashov, V (20 Sovremennye aspekty lecheniya igrovoj zavisimosti, Molodoj uchenyj, 2, 320-326, 2016.

Betting Business V Rossii mogut vnedrit' mehanizm samoogranichenija dlja ludomanov, https://bettingbusiness.ru/news/0012923-minfin-rf-razrabotal-zakonoproekt-o-vvedenii-mehanizma-samoogranicheniya-dlya-grazhdan-ne-sposobnyh-kontrolirovat-svoyu-strast-k-azartnym-igra, 2018.

Bisaliev, R., Kuc, O., & Muxtarova, V. Prediktory suicidal'nogo povedeniya u bol'nyx s zavisimost'yu ot azartnyx igr, Narkologiya, 10(7), 74-83, 2011.

Bondarenko, V., & Terechin, A. Nadzor za soblyudeniem zakonodatel'stva ob organizacii i provedenii azartnyx igr, Zakonnost', (7), 34-36, 2011.

Calvinayre Russia to abolish bookmaker self-regulatory organizations, https://calvinayre.com /2018/12/04/business/russia-abolish-bookmaker-self-regulatory-organizations/, 2018.

Calvinayre Russia's online bookies hail simplified customer registration, https://calvinayre.com /2019/06/21/business/russia-online-bookmakers-simplified-registration-progress/, 2019.

Dolzhenkova, E., & Kravchenko, A. Osobennosti i problemy organizacii predprinimatel'stva v sfere igornogo biznesa na primere integrirovannoj razvlekatel'noj zony Primor'e, Fundamental'nye issledovaniya, 7(11), 1405-1409, 2015.

Egerer, M., Marionneau, V. & Nikkinen, J. (Eds) Gambling Policies in European Welfare States: Current Challenges and Future Prospects, London: Palgrave McMillan, 2018.

European Lotteries Report on the lottery sector in Europe 2017, https://www.european-lotteries.org/system/files/document/4624/files /reportonthelotterysectorineurope2017final.pdf, 2017.

Focus Gambling News Online gambling slowly develops in Russia, https://focusgn.com/online-gambling-slowly-develops-in-russia, 2018

Fond Obschsestvennoe Imenie Zakrytie igornyx zavedenij. Azartnye igroki: kto oni. Dominanty, no. 29, https://bd.fom.ru/pdf/d27igorzav.pdf, 2009.
Haworth, L. Russian roulette? Gambling in the post-soviet era, Gaming Law Review and Economics, 12(5), 466-469, 2008.
Helfant, I. The high stakes of identity: Gambling in the life and literature of nineteenth-century Russia, Evanston, Ill: Northwestern University Press, 2001.
Helfant, I. His to stake, hers to lose: Women and the male gambling culture of nineteenth-century Russia, The Russian Review, 62(2), 223-242, 2003.
Holma, K., Koski-Jännes, A., Raitasalo, K., Blomqvist, J., Pervova, I., & Cunningham, J. Perceptions of addictions as societal problems in Canada, Sweden, Finland and St. Petersburg, Russia, European Addiction Research, 17(2), 106-112, 2001.
Karpov, A. Social'no-psixologicheskoe soderzhanie otnosheniya k igre u zavisimyx igrokov, Doctoral dissertation in social psychology, P.G. Demidom Yaroslavl State University, 2001.
Kassinove, J., Tsytsarev, S., & Davidson, I. Russian attitudes toward gambling, Personality and Individual Differences, 24(1), 41-46, 1998.
Keenan, P. Card-playing and gambling in eighteenth-century Russia, European History Quarterly, 42(3), 385-402, 2012.
Kingma, S. Dostoevsky and Freud: Autonomy and addiction in gambling, Journal of Historical Sociology, 30(4), 891-917, 2017.
Koltsova, T., Yukhtanova, Y., Lukyanenko, O., & Khayrullina, N. Gambling taxation in today's Russia: Principles, practices and actual figures, European Research Studies, 21(1), 198-205, 2018.
Kommersant Udacha s mgnovennym vychetom, https://www.kommersant.ru/doc/2850332, 2015
Kommersant Proigrannaya stavka: ehto kak budto ty prinyal narkotik, https://www.kommersant.ru /doc/3288713,2017
Kovtun, E. Istoriya pravovogo regulirovaniya azartnyx igr v Rossii, Moscow: Maska, 2009.
Kozlova, A. Problemy regulirovaniya igornogo biznesa v Rossijskoj Federacii, Ehkonomika i menedzhment innovacionnyx texnologij, (4), 37-37, 2014.
Kozlovskaya, A., & Kravchenko, A. Ocenka vliyaniya igornoj zony 'Primor'e' na social'no-ehkonomicheskie pokazateli predprinimatel'skoj deyatel'nosti Fundamental'nye issledovaniya, 7(11), 1436-1439, 2015.
Lixoletov, A. O kriminalizacii otdel'nyx deyanij, svyazannyx s azartnymi igrami, Vestnik Volgogradskoj akademii MVD Rossii, (2), 47-54, 2014.
Malygin, V., Cygankov, B., Xvostikov, G., & Malygin, Y. Osobennosti lichnostnyx svojstv, kak faktory riska formirovaniya zavisimosti ot azartnoj igry, Nauchno-medicinskij vestnik Central'nogo Chernozem'ya, 40, 54-60, 2010.
Marionneau, V. & Berret, S. #Gambling for the state: Collection and redistribution of gambling proceeds in France In Egerer, M., Marionneau, V. & Nikkinen, J. (Eds). Gambling Policies in European Welfare States: Current Challenges and Future Prospects (pp. 17-35). London: Palgrave McMillan, 2018.
Markham, F., & Young, M. 'Big gambling': the rise of the global industry-state gambling complex, Addiction Research & Theory, 23(1), 1-4, 2015.
Mosechkin, I. Sovershenstvovanie zakonodatel'stva, reguliruyushhego sferu azartnyx igr v usloviyax ehvolyucii nezakonnoj igornoj deyatel'nosti, Bezopasnost' biznesa, (4), 32-35, 2015.
Newsprom Minfin predlagaet ustanovit' gosmonopoliyu na provedenie loterej, http://newsprom.ru/news/Ekonomika/220657.html/, 2016

Pravda Russian roulette: Gambling in Russia, http://english.pravda.ru/history/08-10-2003/3863-gambling-0/, 2003.

Reith, G. The experience of play, In J Cosgrave (Ed.) Sociology of risk and gambling reader (pp. 255-290). New York & London: Routledge, 2006.

Reiting Bukmekerov Bukmekerskii rynok Rossii: Sostojanie I perspektivy rosta, https://bookmaker-ratings.ru/wp-content/uploads/2018/07/report2017.pdf, 2017.

Serikova, G., & Serikov, A. Igornyj biznes v Rossii: problemy i perspektivy Izvestiya Tomskogo politexnicheskogo universiteta. Inzhiniring georesursov, 322(6), 47-57, 2013.

Shepel', Y. Azartnye igry kak instrument razrusheniya obshhestva, Vlast', 7, 51-65, 2007.

Shkolik, O. Vzaimosvyaz' regional'nyx publichnyx finansov i gosudarstvennoj reformy igornogo biznesa, Finansy i kredit, 3(339), 31-34, 2009.

Sohan, A. Pravovoe regulirovanie azartnyx igr v Rossii s drevnejshix vremen do konca XVIII v, Istoriya gosudarstva i prava, 20, 47-48, 2010.

Sohan, A. Azartnye igry v Rossii v seredine XVI–nachale XXI vv, Iistoriko-pravovoe issledovanie Nizhnij Novgorod, 7, 1-30, 2012.

Sulkunen, P., Babor, T., Cisneros Örnberg, J., Egerer, M., Hellman, M., Livingstone, C., Marionneau, V., Nikkinen, J., Orford, J., Room, R., Rossow, I. Setting Limits: Gambling, Science, and Public Policy, London: Oxford University Press, 2019.

Timelottery Rossijskij loterejnyj rynok v 2017, https://timelottery.ru/lottery/rossijskij-loterejnyj-rynok-v-2017/, 2018.

Tsytsarev, S., & Gilinsky, Y. Russia, In G. Meyer, T. Hayer, & M. Griffiths (Eds). Problem Gambling in Europe (pp. 243-256). New York: Springer, 2009.

Vasil'ev, D. Problemnye voprosy kvalifikacii nezakonnyx organizacij i provedeniya azartnyx igr, Rol' pravovoj nauki v razvitii obshhestva: sbornik statej Mezhdunarodnoj nauchno-prakticheskoj konferencii, 30, 3-5, 2014.

Vasiliev, P., & Bernhard, B. Prohibitions and policy in the global gambling industry: A genealogy and media content analysis of gaming restrictions in contemporary Russia, UNLV Gambling Research & Review Journal, 15(1), 71-86, 2012.

Vendil Pallin, C. Internet control through ownership: the case of Russia, Post-Soviet Affairs, 33(1), 16-33, 2017.

Young, M., & Markham, F. Coercive commodities and the political economy of involuntary consumption: The case of the gambling industries, Environment and Planning A: Economy and Space, 49(12), 2762-2779, 2017.

Zajcev, V., & Shajdulina, A. Kak izbavit'sya ot pristrastiya k azartnym igram, Saint Petersburg: Neva, 2003.

---

*__Virve Marionneau__ - Ph.D., Researcher, Centre for Research on Addictions, Control and Governance (CEACG) University of Helsinki, Faculty of Social Sciences e-mail: virve.marionneau@helsinki.fi

© 2010, IJORS - INTERNATIONAL JOURNAL OF RUSSIAN STUDIES