

## **Online Gaming: An economic analysis**

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Online gaming on the internet has become a multi-billion dollar industry. The game of poker alone generates two billion dollars in gross gaming revenue each year. But there exist numerous other gaming websites that offer anything from card games to cross-word puzzles and from dart to football quizzes. The size of the industry clearly justifies a careful investigation of the regulatory, economic, and legal issues that come with it. We will focus on two important aspects of online gaming. The first aspect is the question what distinguishes games of skill from games of chance. This question has important legal and regulatory implications since in many jurisdictions games of chance are prohibited or tightly regulated. Game theory should have something to say about this distinction but so far only a surprisingly small literature exists. The second aspect deals with dynamic aspects of gaming, including problem gambling and rational choice.