





What is special about gambling? A comparison of public discourse on Finnish state monopolies in rail traffic, gambling, and alcohol

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Abstract - Finland has one of the last fully monopolistic gambling sectors in Europe. Unlike in most Western European countries, the monopoly is also consolidated and enjoys a wide support as opposed to license-based competition. This paper analyses whether this preference for monopoly provision is due to the particularities of the Finnish society or rather to those of the Finnish gambling sector. We do this by comparing public discourses in media texts (N=143) from 2014 to 2017 regarding monopolies operating in alcohol retail, rail traffic and gambling sectors. The results show that gambling appears to be special even in the Finnish national context. While the Finnish alcohol retail and railroad traffic markets have been liberalised during the study period, the gambling monopoly has been concurrently strengthened despite similar political and international pressures towards dismantling. The discussion suggests that the differing outcomes reflect the varying positions of monopolies, their stakeholders and the justifications put forward. Intertwined stakeholder interests in the gambling sector appear to amplify consensus politics and set gambling apart from the other cases.

Keywords: monopolies, public discussion, gambling, Finland, EU, gambling, alcohol, railroads

Introduction

State monopolies are increasingly opened to competition across European jurisdictions. Monopoly policy is not only a question of national preference, as regulatory choices are subject to both national and international constraints, including constitutions, international trade agreements and the impact of European Union institutions. According to Article 37 of the Lisbon Treaty, European Union (EU) Member States are obliged to adjust state monopolies to ensure that there is no discrimination between companies from different Member States. The International Monetary Fund (IMF) and the Organization for Economic Co-operation and Development (OECD) have also spurred liberalizations of national trade regulations and the dismantling of monopoly structures (Geradin, 1999). In national contexts, the de-monopolization trend has been further driven by the ideology of free markets as the best means of advancing prosperity and welfare (Davies, 2017; Harvey, 2005). The efficiency generated via reduced state intervention and international competition has become a dominant political framing, replacing economic policies that support national state-controlled industries even in traditionally state-dominated sectors (di Giulio, 2016).

Like other EU Member States, Finland has liberalized its economy in line with economic globalization and its membership of the European Union in 1995. Corporatization of state enterprises began in the 1980s and 1990s, followed later by privatizations to balance the public deficit (Patomäki, 2007). An economic recession in the early 1990s after the collapse of trade relationships with the Soviet Union gave a further boost to reforming the public economy (Hellman, Monni, & Alanko, 2017; Patomäki, 2007). When the newly elected right-wing government published its Government Programme in May 2015, its priorities included balancing the public deficit and generating economic growth by restructuring the public sector; strengthening the competitiveness of the private sector; and relaxing market regulations (Valtioneuvoston kanslia, 2015). Nevertheless, the Finnish state continues to operate a variety of monopolistic sectors, notably in gambling (Veikkaus), alcohol retail (Alko) and passenger rail traffic (VR, Valtion rautatiet).

At a first glance, these monopolistic structures appear to be specific to the Finnish system. In alcohol retail, only Finland and its Nordic neighbours Norway, Sweden and Iceland continue to restrict the sale of

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stronger alcoholic beverages and wine in state monopoly shops within Europe (European Alcohol Policy Alliance, 2016). Regarding passenger rail traffic, legislative initiatives of the European Commission (EC) have significantly opened markets since 1991. Monopolistic configurations currently remain in passenger traffic in countries like Finland, Greece and Croatia, although freight transport has been liberalized (see Crozet, 2016). As for gambling, Finland is one of the few remaining countries in Europe where the entire gambling field is controlled by one monopolistic operator, and in which one of the main goals of gambling policy is to maintain this monopolistic system. In 2017, the Finnish monopoly system was further strengthened by merging three separate monopolistic actors in the field (Veikkaus, RAY and Fintoto) into one monopoly (Veikkaus). Contrary to the alcohol and rail traffic sectors, no segment has been opened to the private sector.

However, the operation of gambling has also been argued to differ from other restricted economic sectors in that it produces higher than average economic returns mainly due to a low price of production that is independent of bet sizes, and overconsumption of gambling products by those who play excessively (Young & Markham, 2017). These high economic returns produce significant financial interests and path-dependencies that are often difficult to reverse (Jensen, 2017). Such interests can result in protectionist policies to prevent funds generated via gambling operation from leaving national jurisdictions (Smith, 2000), but also to spur de-monopolizations of gambling industries owing to increased governmental revenue needs or effective lobbying (e.g., Sulkunen et al., 2019). Opening gambling operations to licensing has been increasingly popular across Western Europe in recent years, while many Eastern and Central European jurisdictions have concurrently monopolized previously liberal gambling markets (e.g., Marionneau, Nikkinen, & Egerer, 2018).

Differing monopoly policy trajectories within the European Union have been possible because EU institutions allow market restrictions due to reasons that are of greater value for societies than competitive policy (see Blum & Logue, 1998). The principle of subsidiarity, as defined by the Treaty on the Functioning of the European Union (TFEU), safeguards the position of Member States to take decisions in matters which are not better achieved at the Union level. In the same treaty, the principle of proportionality maintains that the actions of the EU must be limited to what is necessary to achieve the objectives of the Treaties. Discriminatory measures in the gambling sector, as in any other sector, can be justified if they fall under the exceptions provided in articles 55 and 46 of the EC Treaty: public order, security, or health. The acceptable justifications utilized to restrict competition and to maintain monopolistic operations have varied between sectors. Public health has been regarded as a national concern, and therefore a legitimate justification for monopolies in fields such as gambling (e.g., Marionneau

et al., 2018) and alcohol (Holden & Hawkins, 2017; Room, 1993), although monopolistic configurations in both sectors have also been justified in terms of providing public revenue (Marionneau et al., 2018; Room, 1993; Selin, Hellman, & Lerkkanen, 2019). The significant national implications, 'naturalness' and historical importance in fields such as transportation and energy policy have, on their part, given Member States significant leeway to restrict competition for transportation (see Casullo & Zhivov, 2017; Knieps, 2015) and for energy (see Jamasb & Pollitt, 2005; Kanellakis, Martinopoulos, & Zachariadis, 2013).

The conformity of Member State policies with the principles set forth in the TFEU can be challenged via CJEU (Court of Justice of the European Union) proceedings often employed by outside operators looking to penetrate monopolistic markets (Örnberg & Tammi, 2011); European Commission infringement proceedings and letters of formal notice or reasoned opinions for Member States to clarify their legislation; or via recommendations issued to Member States (e.g., Littler, 2011). These channels of influence have resulted in many European countries opening up their national monopolies in the gambling sector but have also been behind some of the developments to strengthen the Finnish gambling monopoly by means of increased consumer protection (Örnberg & Tammi, 2011). In 1999 the CJEU (case ECJ Läära C-124-97) ruled that the Finnish monopoly system is in line with European Union legislation provided that gambling-related problems will be addressed more efficiently. In 2006, the European Commission initiated infringement proceedings against several Member States including Finland (IP/06/436) regarding restrictions on remote sports betting that is licensed in other Member States. These proceedings were closed in 2013, alongside an announcement from the Commission that it would not take further measures to challenge the Finnish gambling monopoly.

This paper provides a comparative analysis of public discourses on three policy developments surrounding state monopolies in the Finnish gambling, alcohol and railway passenger traffic markets. We ask whether the monopolistic structure and lack of willingness to open the gambling markets for competition are due to particularities of the Finnish gambling sector, or to national policy preferences that would also be visible in other monopolistic sectors? The material consists of press items collected from the leading national mainstream newspaper, Helsingin Sanomat, between 2015 and 2017 – a period characterized by the government's strongly articulated aim to dismantle public governance rules and norms (Valtioneuvoston kanslia, 2015). In what follows, we will first discuss the impact of the European Union on the monopoly policies of Member States, introduce our data and methodology, analyse the public discussion surrounding the Finnish alcohol, railway passenger traffic, and gambling monopolies, and finally discuss

the implications of the similarities and differences between these monopoly processes.

Methods and data

The data analysed in this study are collected from the Finnish newspaper, Helsingin Sanomat (HS, circulation around 300 000). HS is the largest daily newspaper in the Nordic countries and an important medium for sustaining a consensual democracy. The Nordic system is characterized by a support for broad coalitions (e.g., Jónsson, 2014), which often translates into support for mainstream political ideas and the ruling government in the HS (Nieminen, 2010). HS reporting constitutes an appropriate data source for analysing of how political processes are negotiated, and which kinds of actors are involved in the public discussion. As opposed to for example interview data, media material provides insight into how views on questions and phenomena develop in the public over time as well as reflecting a political system and forming questions as part of it (Christians, Glasser, McQuail, Nordenstreng, & White, 2010; Hellman, 2010).

The material was collected using the search word 'monopoli' (monopoly) in the HS publication archive (online and print). The search period covered three years between September 2014 and October 2017. The items covering the most vivid recent debates in the three monopoly cases were selected resulting in a corpus of 143 texts covering reports, interviews, opinion pieces and analyses, short notices and even satire.

The studied period was crucial for the political negotiations on the future of alcohol retail, rail traffic and gambling in Finnish society due to shifts in political power towards the market liberal right in 2015. Although the dismantling of the rail transportation monopoly was already announced before 2014, the opening of rail traffic markets received public attention in 2015 with the instalment of the new Minister of Transport, Anne Berner. The data on the railway monopoly discussions consists of 53 press items. The alcohol retail monopoly became an object of public discussion in 2015 as part of the government's restructuring of state institutions and their plans to renew the Alcohol Act. The media material on the alcohol state monopoly question covers 47 text pieces. The public discussion on the gambling monopoly occurred in the period preceding the announcement of a merger as of January 2017. The material consists of 43 text pieces.

We approached the corpus of texts inductively by discerning justifications and processes of agenda setting in the discussions. To construct a comparative analytical framework, we used concepts of Kingdon's (1984) Multiple Streams Framework (MSF). According to the MSF theory, policy change takes place through three 'streams': *The problem stream* refers to public awareness to issues requiring solutions; *the policy stream* refers to proposals for change; and *the politics stream* is related to a favourable political climate,

usually brought about by a change in government or public opinion. The realisation of new public policies and government agendas becomes possible through changes in the problem stream or the political stream, opening a *policy window*, that a *policy entrepreneur* can use to advance their agenda.

The MSF model enables an interpretation of how depicted political processes and their main regulatory justifications may play decisive roles in decisions regarding market liberalization and state control. The model has been widely applied in previous research. A recent systematic review of studies applying the MSF model (Jones et al., 2016) found a total of 311 studies investigating topics such as health, environment, governance, education and welfare. In studies on national monopolies, Herweg (2015) analysed the demonopolization of European natural gas markets in the late 1980s and found that the necessary policy window opened when the European Commission succeeded in framing energy matters as a competition issue, which eventually broke down Member State resistance and led to the European gas directive.

Because the interest of the current paper is not in analysing the policy processes but rather the nature of public discourses, the MSF model was not applied directly but, rather, used as a conceptual tool to help comparison. Comparative applications of the MSF model are still in early stages, and comparisons between national sectors rather than between country cases have appeared only recently (Tosun & Workman, 2017). Furthermore, despite an initial attempt to apply the MSF framework more methodologically in this analysis, the consensual political culture in Finland (Marionneau & Kankainen, 2018) did not translate well to analysing policy streams through policy alternatives as is highlighted in a more theoretical application of the MSF model. The consensus striving policy *modus operandi* articulated in HS instead seems to lead to a blurring of streams and infringement on stream independence. For these reasons, we have instead used the model as an analytical and conceptual tool to enable a comparison of discursive traits in the three monopoly cases. In order to do this, we have looked at the policy processes through three developments: identifying and justifying a problem with the current system (problematization); presented solutions (policy); and a favourable political context (politics).

The political context is similar in all cases: Public discussion on the alcohol retail, passenger rail traffic and gambling monopolies followed a change of government in Finland in May 2015, and the liberal economic policies of the government agenda, including restructuring the economy through demonopolizations. Problematizations and policy solutions, as well as the actors participating in public discussion, nevertheless differ. The presentation of problems varies between the three cases in terms of how the need for policy change is justified and the kinds of solutions that are offered. The monopoly cases are

analysed separately in the results and then compared more generally in the discussion.

Results

Passenger rail traffic

The initial push for opening the Finnish rail transport market came from the European Commission's efforts to strengthen the position of railways vis-à-vis other modes of transport, particularly for environmental reasons (European Commission, 2011) and subsequent railway package directives. The Commission has suggested strengthening the competitive advantage of rail transport through 1) opening the rail markets to competition, 2) improving the safety and interoperability of national networks and 3) developing rail transport infrastructure (see European Commission, 2019). However, in the material under study, only the opening of markets received attention.

The rail traffic discussion is an example of a de-monopolization process. The contractual monopoly of VR in national passenger rail traffic is set to be opened for competition as of 2024, and the Helsinki metropolitan passenger traffic contracts will be renegotiated in 2021. Although these changes were already decided on before 2015, a change of government and the instalment into office of Anne Berner as Minister of Transport, rekindled public discussion on the structural problems in rail traffic. The active participants in the discussion were the government, the European Commission and VR officials. Based on the material analysed, the preparation and realisation stages were not yet publicly discussed, but the question was negotiated through legitimisations and justifications.

Initial problematizations materialized in the reporting in 2015 when HS (28.8.2015) recounts how in the past six years, the number of VR employees has been reduced by 4,000. Further layoffs were announced in 2015 in addition to restructuring, including cuts on the number of lines and ticket offices. The report states that VR had a deficit of 1.9 million Euros between April and June 2015. In the economy section of the same HS issue (28.8.2015) these problems are attributed to a crisis in rail traffic, emanating from competition from low-cost buses and airlines, and an unfavourable image of VR due to the reduced service network. On September 1st, 2015, a press summary suggests that de-monopolization is necessary and beneficial to consumers.

The consensual view on the benefits of de-monopolization is challenged following three developments: The first is related to problems in passenger transport. In September of 2015, the Y-train line, operating within the Helsinki region, was announced to be terminated. HS reports that local MPs want to find a solution (24.9.2015) and argues in favour of maintaining the VR monopoly, as it would oblige the service provider to offer service even on unprofitable routes. Abolishing the monopoly is speculated to lead

to more significant reductions in rail connections as well as stripping VR workers of benefits. When VR announces that it might open some unprofitable lines for competition already before 2024, HS titles its news piece: 'Feel welcome to operate on deficit' (3.10.2015). The discussion on passenger transport concludes when VR announces that the Y-train will continue operation (3.12.2015).

The second form of criticism emerges in late 2015 and relates to freight transportation. Rail freight traffic was already opened to competition in 2007, but as of 2015 only small local firms had shown interest, and VR still dominated the sector (1.10.2015). HS reports potential competitors' arguments that VR is blocking access by scrapping old trains rather than selling them, and by overcharging on maintenance (4.10.2015). Finland has a different rail width to the rest of Europe which, together with harsh winter conditions, complicates the import of trains. Governmental actors are also seen to hinder competition through administrative hurdles, while Finnish customers are reluctant to change providers. Similar problems are projected on passenger traffic, and the president of the rail workers union, Vesa Mauriala, argues that opening passenger traffic to competition would mean 'dividing Finnish national wealth' or 'sacrificing national wealth on political bases'. Meanwhile, the CEO of VR, Mikael Aro, claims that the financial crisis is behind the lack of competition (1.10.2015).

The third criticism is political, and emerges in early 2016 (e.g., 29.1.2016; 30.1.2016; 19.4.2016). Although the de-monopolization was initiated years before, it begins to revolve around the newly appointed Minister of Transport Anne Berner. Berner is portrayed as a market liberal and a partisan of de-monopolizations (29.1.2016), but also as a representative of the Finnish Centre party, which has a strong stake in developing remote regions' access to services. MP for the populist right-wing party True Finns, Ville Taivio (9.8.2017) questions whether Anne Berner is truly thinking about the passengers, or whether her actions are ideological.

Despite these trails of criticism, Anne Berner pushes her agenda and reporting focuses on practicalities. The policy discussion focuses on advancing the governmental proposal rather than discussing other alternatives. HS reports on the need to split the VR group into three: material, real-estate and maintenance. This split is seen as the prerequisite for true markets, as VR is the only actor able to provide trains and maintenance equipped for Finnish conditions (19.4.2016). Another practical question focuses on the unprofitable rail lines. Berner suggests creating route bundles to oblige providers to also operate unprofitable lines. The decision to dismantle the VR passenger rail traffic monopoly is justified further during 2017. Neighbouring Sweden had already opened its railroad markets in 2001, which has reportedly increased usage and decreased prices (13.8.2017). However, the Railroad Union argues that Finland would not follow the Swedish example because VR would have to rent out its

trains to other operators due to the Finnish rail width (10.8.2017). The criticism from VR does not attract more public discussion. Opposing voices appear to quietly die down and the de-monopolization process becomes accepted as a *fait accompli*.

Criticism towards the de-monopolization mainly emanated from VR, while the government and the European Commission actively promoted the reform. This left little room for discussion on alternatives, allowing Berner to advocate her version of the rail reform. HS quotes her justifying the de-monopolization with cheaper tickets and more innovative markets (18.8.2017): 'Only a market economy and competition create something new'. Together with environmental reasons, these justifications in favour of de-monopolization gain more importance in the discussion, and arguments in favour of the monopoly start to quiet down. At least a semblance of consensus was reached in the public discussion of rail deregulation.

Alcohol

As a political question, the Finnish alcohol retail monopoly (Alko) is surrounded by significant moral tensions and requirements for social responsibility (e.g., Warsell, 2007). The de-monopolization process is also more tentative and gradual than in the VR case. Alko has an effective monopoly on the retail of strong alcohol and wine, but derogations to the monopoly for softer alcoholic beverages already existed before the discussion under analysis. The studied period coincided with further weakening of Alko's position due to new relaxations in alcohol legislation.

The discussion on the alcohol law reform in HS follows a very similar arc to that of the VR case. The politics in the reform of Finnish alcohol law coincide with the change of government in 2015. Although alcohol law reform had already been on the agenda for years, it had failed to move forward due to political disagreements. The previous government led by the Social Democratic Party had suggested reducing the availability of alcohol, but the proposition was met with public outrage and later cancelled. In fear of a similar reaction, the Centre Party, despite its traditions in the temperance movement, is reportedly pro-liberalization (14.8.2015).

Problematizations regarding the existing alcohol law re-emerge during 2015. HS reports (2.2.2015) that the unions in the grocery, alcohol and tourism sectors want to hamper private alcohol imports from Estonia by reducing alcohol taxation and by introducing stronger beer and wine to supermarkets. At the time, strong beverages were only available in Alko shops, while other retailers were authorized to sell mild beer and drinks containing a maximum of 4.7 percent alcohol. A consensus seems to be found regarding the need to relax alcohol legislation, and discussion on the practicalities follows in the autumn of 2015. Minister of Industry, Olli Rehn (Centre Party) announces that he would allow wine in supermarkets (7.9.2015), as

supermarkets near Alko shops have an unfair competitive advantage (HS 12.12.2015). Allowing all supermarkets to sell wine would create a fairer market. Members of the right-wing Coalition party and the populist right-wing True Finns support the proposition.

The preparation of the law begins in October 2015 (16.10.2015). Juha Rehula, Minister of Social Affairs and Health (Centre Party), appoints a working group to consider both public health concerns and the needs of the Finnish economy in a new Alcohol Act (3.11.2015). Rehula does not want the new law to challenge the monopoly position of Alko nor to introduce changes in taxation. Rather, the focus would be on increasing consumption in restaurants (11.2.2016). The reporting in HS is largely in favour of relaxations. HS quotes Kari Paaso from the Ministry of Social Affairs and Health, who, although in favour of a public health framing, argues in this case that the reform will deregulate some 'ridiculous restrictions' such as portion sizes and limited serving areas. HS offers further justifications for deregulation by stating that the current alcohol law is a copy of the 1932 law that originally overturned prohibition (19.10.2015).

A draft proposal by Juha Rehula's working group is presented in February 2016 (22.2.2016), but government partners disagree on its contents, weighing in industry interests. The pro-liberalization Coalition Party argues that stronger alcohol should be sold in supermarkets to support the small brewery industry and to compete with imports from Estonia and restaurants should be allowed to sell take-out alcohol. The True Finns support small breweries' rights to directly sell their products. Both parties support longer alcohol selling hours for supermarkets. The Centre Party does not agree with these propositions as they would directly challenge the monopoly position of Alko. The only proposition the parties agree on is to reduce the VAT of alcohol sold in restaurants. The discussion between the political parties remains blocked for some time (29.3.2016). HS attributes this to the reluctance of some Centre Party MPs towards any liberalizations in alcohol policy (13.5.2016).

In addition to governmental actors, the discussion picks up amongst other stakeholders seeking to push their agendas. The president of the Finnish Grocery Trade Association Kari Luoto argues that relaxing regulations would not threaten the position of Alko, as strong alcoholic beverages (over 4.7 percent alcohol content) represent a marginal market (2.4.2016). In an opinion piece, a Helsinki-based entrepreneur argues that liberalization of alcohol laws would improve employment and the quality of services (13.5.2016). Opposing voices come from researchers Pia Mäkelä and Juhani Eskola at the National Institute of Health and Welfare (30.4.2016) who argue that 'The mere joy of simplifying regulations should not be a reason to worsen national health and the national economy'. Representatives of Alko are also against the new alcohol law. Hille Korhonen, CEO of Alko, warns that bringing stronger alcohol to supermarkets would close Alko

shops (5.5.2016) whereas the chairman of Alko's board of administration, Vesa-Matti Saarakkala justifies his opposing position with increased harm caused by alcohol (12.5.2016).

By the end of May 2016, the government parties are finally reported to propose and agree on draft legislation. This draft includes longer opening times for restaurants; allowing supermarkets, kiosks and gas stations to sell stronger alcohol; permitting small breweries to sell their products directly to consumers; prolonging Alko shop opening hours by one hour during weekdays, as well as authorising wine auctions and Alko selling vans; streamlining restaurant service rights and allowing restaurants to sell alcohol to be consumed elsewhere; permitting 16-year-olds to serve alcoholic beverages under supervision and deregulating service area limitations; allowing restaurants to advertise happy hours; and, authorizing home brewing under certain conditions (22.11.2016). The Minister of Social Affairs and Health, Hanna Mäntylä (True Finns) justifies the suggested law mainly in economic terms: 'Alcohol policy is also industrial policy, tourism, restaurants and employment', while downplaying impacts on the national health: 'We should expand the discussion from availability to reasons: why some people become excessive users and others do not' (27.5.2016).

The newfound political consensus seems strong, and it appears that the government has already chosen the policy that will be introduced, despite other stakeholders maintaining a heated discussion. Experts from the National Institute of Health and Welfare write about the dangers of the proposed new law (16.6.2016), arguing that Finnish policies should aim at harm reduction as in Sweden, not at economic development (19.10.2016). Representatives of Alko also continue to express concern over monopoly profits (11.11.2016). Opposing viewpoints are offered by the head of the Federation of the Brewing and Soft Drinks Industry and the Finnish Microbreweries Association, who highlight the benefits to the national economy from increased tax income due to reduced imports and increased employment. The Brewers also point out that the law is not radical, and the proposed steps are only minor (19.6.2016; 29.7.2016).

In November 2016, the draft for the new alcohol act is opened for consultation for eight weeks (22.11.2016). The discussion in HS heats up. Alcohol researcher Peter Eriksson from the University of Helsinki argues in an opinion piece that the government is making a mistake. Finnish alcohol policy is already more relaxed than Swedish alcohol policy, which has 'cost the country an additional 40 billion euros'. According to Eriksson, the law only reflects financial needs and brewing industry lobbying. A lobbyist for the European wine industry, Paul Skehan responds by stating that Nordic alcohol policies are based on a nanny-state ideology (4.12.2016). Coalition Party MP Jaana Pelkonen voices her support of relaxations by referring to economic growth and consumers' right to choose. According to

Pelkonen, strict control has only resulted in Finns not knowing how to self-regulate their drinking (8.1.2017).

In March 2017, the HS reporting focuses on a letter that the Swedish alcohol monopoly company Systembolaget has addressed to the European Commission to oppose the Finnish alcohol law reform. Systembolaget expresses its concern that the proposed legal reform would cause serious damage to public health in Finland, and further increase Finnish drinking, described as already heavy. Nevertheless, HS reporting reveals that the arguments Systembolaget makes in its letter draw heavily on the views of Alko, which might mean that Alko encouraged Systembolaget to send it to safeguard its own position (28.3.2017). In Norway, Professor Ingeborg Rossow warns that alcohol law in Finland might also impact Norway, and Norway has expressed its concern about the proposed new Finnish alcohol law via EFTA (23.6.2017).

In comparison to the VR or Veikkaus cases, the debate in the alcohol question is at times heated, including strong stakeholders with opposing views and differences of opinion between government parties. This also impacts the final legislative change, which concludes in an apparent compromise. The alcohol law is relaxed, but only slightly. In June 2017, the Finnish government introduced the new alcohol act, which was passed for a vote in the Parliament (23.6.2017). The law introduces alcoholic beverages containing over 5.5% alcohol in supermarkets, but not stronger alcohol or wine. After the decision is reached, criticism dies down, and in December 2017, the Parliament voted in favour of the law.

Gambling

Unlike the VR and Alko cases, the Finnish gambling monopoly was consolidated rather than dismantled during the studied period. The analysed material covers a period before and after a merger of three monopolistic actors, Veikkaus (the National Lottery company providing lotteries and sports betting), RAY (the Slot Machine association providing casino and Electronic Gambling Machine games) and Fintoto (the horse race betting provider) was announced in 2015. The new operator, also called Veikkaus, began its operation in 2017. A report by the Ministry of Interior (Sisäministeriö, 2015) justified the strengthening the Finnish monopoly system as the best possible option to prevent negative social and health-related impacts of gambling, but also to compete with and to channel demand away from online gambling operators. Furthermore, the merger was deemed necessary to align with the requirements of the European Commission. Although gambling has been excluded from EU directives, the Court of Justice of the European Union (CJEU) and the EC have determined the conditions under which restrictions on national gambling markets are acceptable (European Commission, 2012).

Discussion on the potential benefits and costs of a merger starts to emerge in HS reporting during 2014,

before the new policy is announced. An editorial (2.9.2014) argues that everybody would win in a merger, as it would ensure a better supply and more profit for beneficiaries. Prime Minister Alexander Stubb (Coalition Party) (2.12.2014) is quoted justifying the merger with the demands of the European Commission and the need to compete with international providers and. Minister of Interior Päivi Räsänen (Christian Democrats) similarly argues that the monopoly system must be strengthened urgently due to the changes taking place in the gambling field, particularly online, and to develop a 'trustworthy gambling system' (2.12.2014).

The main stakeholders in addition to the government and providers, are civil society organisations (CSOs), which are important beneficiaries of gambling proceeds in Finland. In comparison to the railroad (VR) and alcohol monopoly (Alko) case, all stakeholders involved in public discussion regarding Veikkaus therefore have an interest in maintaining the state monopoly on gambling in one form or another.

Although they support the monopoly, CSOs are initially critical of a merger. A representative of SOSTE, a central organisation of CSOs in the social and health sector, argues that the existing system of three monopolies is already accepted by the European Commission and that no additional benefit will be made by modifying it (4.9.2014). CSOs are also reported to see the merger as a threat to their income (2.12.2014). A representative of Hippos, an organisation representing the trotting and horse racing sectors, views the merger as a 'great monster'. Hannu Tolonen from the Ministry of Education argues that the merger will set beneficiaries against each other to compete for funds.

The criticism advances policy discussion to find the best alternative for gambling provision. In December 2014, HS reports (16.12.2014) that the government has appointed a working group to find a solution to increased competition online and overlaps in the games provided by the national companies. Three possible solutions are presented: a merger, better grouping of games between operators, or clearer distinctions between the three providers' games. A merger is presented as the best option. One month before the working group report is due (12.2.2015), Päivi Nerg from the Ministry of Interior defends the merger by claiming that a stronger monopoly actor would be able to compete better with international providers that are 'intruding in the national market'. Ironically, and unlike in the VR and Alko cases, the gambling monopoly is justified in terms of competition rather than as a hurdle to it.

Only at this point does consumer protection come up in the discussion, despite its status as the main official justification for the gambling monopoly (Marionneau 2015). A representative of the helpline for problem gamblers, Peluuri, (25.2.2015) points out that while the monopoly is officially justified in terms of preventing gambling harms, the discussion only centres around competition. The suggested monopoly

merger will do little to prevent gambling problems. However, the comment does not suggest another policy option and remains isolated.

In March 2015 (24.3.2015) HS reports that all political parties and beneficiaries suddenly agree on a merger. The newfound consensus is rather surprising, as even the previously critical beneficiaries are suddenly on board, suggesting that assurances on the continuation of their funding have been made. In September, a representative of the sports organisation and major beneficiary of gambling funds, VALO (17.9.2015) argues that the merger is positive for Finnish sports. Even Hippos is reportedly involved. Minister of Interior Päivi Räsänen also announces that the merger is expected to improve consumer protection, and thus public health, as 'it is easier to control gambling when companies do not compete with each other'.

Most critical analysis appears only after the merger has been announced. In September 2015 (19.9.2015), representatives from the market liberal thinktank, Libera, question whether a license system could have accomplished the same ends as a monopoly. In 2016, a researcher from the University of Helsinki argues that the merger is hypocritical since consumer protection was not a key concern but a mere justification for a decision that had already been made. Soon after, an expert in EU law presents the same view (25.4.2016), noting that the merger does not prevent foreign competition. A licensing model would have at least been able to exert control over foreign operators, as well as bringing in new investment. However, these comments had little impact at this stage, as the political consensus had been strong enough to withhold criticism in the crucial preparatory part of the merger process. The stakeholders that were included at the preparatory phase of the reform were all in favour of maintaining the monopoly.

Discussion

The analysis shows how the three different policy processes unfolded in the Finnish public discussion, reflecting different political trajectories that state monopolies followed. Even within a similar national and international context as VR and Alko, the position of Veikkaus seems immune to any derogations. This difference cannot be attributed solely to the special position of gambling in European societies, as the strong and actively consolidated Finnish gambling monopoly is also exceptional within this framework in which gambling monopolies have increasingly been privatized or markets opened to licensing. A more likely explanation follows from the peculiar way in which gambling has been organised in the Finnish national context, implicating several beneficiaries and stakeholders across the society. Stakeholders here are defined as government actors as well as non-governmental interest groups, understood as organisations articulating societal interests that seek to shape public policies (e.g., Beyers, Eising, & Maloney, 2008). The significant role of stakeholders in gambling,

and how it deviated from the two other monopoly cases can be seen on at least three different levels in the public discussion on gambling.

First, the stakeholders had varying interests in the monopoly cases. Based on the reporting analysed in this study, the main difference between Veikkaus and the two other monopolies was the active support of all financial stakeholders to maintain it (also Marionneau & Kankainen, 2018) while critical voices were not present. Although policy developments occurred in each case and consensus was eventually reached, this process was more rapid and less subject to tensions in the Veikkaus case. The de-monopolization of railroad passenger traffic and relaxations in alcohol retail law emerged from the political ideology of the new market liberal government, followed by policy proposals and problematizations. The trajectory therefore followed the MSF model more closely. The consolidation of the gambling monopoly did not start from a similar ideological premise. Rather, the strengthening of the monopoly was contrary to the overall policy objectives of the government. Instead, the public discussion moved quickly and without much debate by departing from problematizations and leaving little space for criticism (see Figure 1).

Furthermore, in the cases of railway traffic and alcohol, support for the monopoly structure was expressed mainly by representatives of the existing monopolies. This is not very surprising given that their monopoly position would otherwise be weakened. In the Veikkaus case, not only representatives of the company, but also its wide network of beneficiaries, voiced support for the monopoly. This gives further explanation to why critical voices were limited in the Veikkaus case. In the VR and Alko cases, private entrepreneurs and commercial actors, as well as representatives of political parties that support more liberal market environments voiced support for deregulation. In the Veikkaus case, the public and the third sectors, including the state and political actors are also implicated as beneficiaries of the sector. This makes political actors partisans of the merger, limiting discussion of other options. Previous research has also shown that the support for maintaining the Finnish gambling monopoly is exceptionally strong not only among the gambling population (Salonen & Raisamo, 2015) but also beneficiaries of gambling proceeds (Marionneau & Kankainen, 2018) and political parties (Allianssi, 2019).

The second way in which stakeholder positions differed in the three cases follows from the aligned economic interests of stakeholders in the Veikkaus case. Gambling provides significant financial returns which translate into more significant economic power of the gambling company in comparison to that of VR or Alko. The position of VR and Alko had already seen some derogations before the analyzed period, but Veikkaus has remained the sole provider of all gambling products in Finland and the analysis showed a strong political will to maintain and to further consolidate this monopoly

policy. The scrutiny of the European Union institutions in the Finnish gambling policy particularly following the 1999 CJEU ruling in the Läära case and the infringement proceedings closed in 2013 further evoked some fears that the EU would transfer competencies in the field of gambling to Brussels (also Littler, 2011; Marionneau, 2015). It is likely that one of the reasons behind the merger of the Finnish gambling operators was also to prevent further scrutiny. In the 2015 Ministry of Interior report (Sisäministeriö, 2015), the merger was justified in terms of maintaining and strengthening the monopoly system.

Third, stakeholders employed varying justifications used in the media discussions. Justifications show how conditions become seen as problematic, and the kind of framing that takes place. In the VR case, justifications for the monopoly initially drew on the quality of service, but as the discussion advanced, sentimental and nationalistic arguments appeared, such as safeguarding national possessions. Justifications for the de-monopolization of VR drew on industrial and economic arguments, such as improved service, consumer choice, and pricing, but also environmental issues. Similar industrial and economic justifications were used in support of the new alcohol law in the Alko case, including competitiveness, job creation, and economic growth. Justifications against the new alcohol law were based on safeguarding the position of Alko but also on public health. In the Veikkaus case, justifications for the merger are initially based on economic arguments. This is surprising because unlike in the other cases, restrictions rather than liberalizations are justified in terms of market competition. Justifications supporting the merger only later turn to issues related to public health, at which point those opposing the merger adopt economic arguments. This finding is in line with the analysis of Jensen on the Norwegian and Danish gambling monopolies (2017) according to which monopolies on gambling provision are maintained mainly to cater to established and path-dependent financial interests, while health-related argumentation is only utilised when dependencies on revenues become less significant. Following Boltanski and Thévenots' (2006) theory of justification, different justifications reflect varying sets of values. Unlike the other monopoly cases, in the gambling case, a similar type of economic justification was highlighted on both sides, allowing for a higher level of accord and consensus in public discussion.

How an actual political consensus is reached cannot be determined based on this analysis and would require further studies. Nordic welfare states are known for a consensus seeking political culture, which also explains part of the popularity of the gambling monopoly, but not why it deviates from the other monopoly cases. In a comparison with other Finnish monopoly systems, gambling remains special, and the results of this study suggest that this is mainly due to the shared economic interests of all included stakeholders.

Conclusion

This study compared Finnish state monopolies in rail traffic, alcohol and gambling to analyse whether the exceptional Finnish monopoly position in gambling is specific to the gambling sector or of Finnish monopoly policies in general. Using a diachronic approach to analyse media data and the MSF model as a conceptual tool, we identified how changes in monopoly structures are negotiated, the terms in which they are justified, and how these policies find support in public discussion.

The analysis suggests that when consensus-seeking appears to be a leading value in policy processes, as in Finland, policy change can be rapid when necessary conditions are aligned. In the case of Veikkaus, the need for reform was framed by finding jointly acceptable justifications to problematize the condition, and shared interest of principal stakeholders. While such a system leaves little space for diverging options and opinions, it appears to be an effective way to introduce change.

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