

## Gambling problems as a political framing—Safeguarding the monopolies in Finland and Sweden

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### Abstract

Many EU member states are currently rethinking their gambling laws and policies to adapt to European law and to take into account increased technological possibilities for the gambling industry and increased competition on national gambling markets. Some of the countries have responded to the new situation by giving up or remarkably weakening their monopolies, but other countries have, on the contrary, reformed their monopoly systems to strengthen them to meet the new challenges. This article analyses gambling policy reforms in Finland and Sweden, where the liberalisation trend has been contested to safeguard the monopoly systems. The main means have been an increased focus on gambling-related problems and emphasis on the responsible nature and particular capability of monopoly-based systems to tackle these problems. This has made it possible not only to keep the monopoly system intact but also to expand its field of activities to the Internet as a responsible measure.

**Keywords:** European Union, Finland, gambling, monopolies, public health, Sweden

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### Introduction

In recent decades, Western gambling markets have typically been nationally based, and many of the jurisdictions have established national monopolies around gambling. The monopolies have been justified by their ability to provide revenues for the public good in the form of charities, grants, or taxes, but also for preventing fraud, money laundering, and black market gambling. However, the feasibility of sustaining monopolies or even national regulations has been questioned during recent years. In Europe, this is especially due to the European Union (EU). In the global context, monopolistic markets are threatened by new technologies.

The free movement of capital, goods, and services within the EU has, among many things, meant increased competition on the national level. National restrictions and

gambling regulations have been questioned in the name of free markets, and at the same time, the legality of preventing foreign actors entering the market is contested in many member states. Increasing opportunities for cross-border gambling have facilitated the development of a global gambling market beyond easy state control (Cisneros Örnberg, 2006). The new situation has forced the European gambling monopolies to redefine their position. At the same time, the space for political action has opened up for new actors in national gambling fields, in particular for the private gambling industry.

Although many EU member states are currently rethinking their gambling laws and policies, they have chosen different directions. While some countries (e.g., Spain, Italy, Denmark, and France) have adapted their regulations by giving up or at least remarkably weakening the role of the monopoly, others have reformed and strengthened their monopoly systems to fit the new situation and keep their markets regulated. This has been made possible by repeated rulings by the European Court of Justice establishing that the EU's principle of freedom to provide services *can* be restricted if it is justified by an overriding reason relating to the public interest.

In this article, we analyse parallel developments of two interrelated national gambling monopoly systems in which the trend towards freer gambling markets has been contested. The countries in question are Finland and Sweden, countries with a closely related political and historical past. This is especially apparent when it comes to social welfare policies such as those on alcohol and gambling. Both countries have similar regulated gambling systems with a few state-controlled gambling companies.

The formal effects of EU policy-making on the national level have been extensively researched over the years, on topics ranging from defence industry to the environment. However, the rapprochement to the EU is not only about national implementation of EU law but also dependent on changes in social life and public opinion that affect how policy decisions are handled and framed within each national context. How something is defined and framed affects perceptions and thus ways of thinking and acting for those involved (see, for example, Mörth, 2000; Schön & Rein, 1994; Cisneros Örnberg, 2009). This article analyses how and by whom gambling policy has become framed in Finland and Sweden. The material used consists mainly of written documents in the form of bills, speeches, government reports, publications, and official minutes from each country; records of actions of relevant EU bodies; and also media and public discourse. On the basis of these data, we have systematically and critically examined the policy developments and arguments put forward in Sweden and Finland to offer insight into how the issue of gambling has been reframed in both countries.

In what follows, we first deal with the EU and its legal position on gambling. Secondly, we describe the regulatory systems of gambling in Sweden and Finland. Then we show how the interest in gambling problems (politically, professionally, and publically) has increased in the last few years. Finally, we briefly take up the politically charged case of Internet poker and examine how it has been dealt with in both countries.

## The EU and gambling

Lotteries and gambling are, in principle, prohibited in the legal system of all EU member states. The main reason for this is that lotteries and gambling involve a high risk of fraud and abuse for criminal purposes. At the same time, most member countries permit exceptions to this prohibition to a varying extent (European Lotteries, 2004).

Within the EU, gambling is regulated, in accordance with the subsidiarity principle, at the national level. However, since gambling monopolies are common in the EU member states, the legitimacy of restrictions in the area of gambling has been examined by the Court of Justice of the EU (CJEU) in a number of cases. In its gambling jurisprudence, it has examined to what extent national authorities can impose restrictions on the cross-border provision of gambling services and whether these restrictions are compatible with the Treaties of the European Community. The CJEU has tried some twenty cases involving gambling in which the freedom of establishment (article 49 TFEU) and the freedom of services (article 56 TFEU) were adjudicated (see, for example, Cisneros Örnberg, 2006, for a more detailed description). There are also at the moment seven pending cases (see, for, example SEC(2011) 321).

The court has long taken a cautious attitude vis-à-vis national gambling legislation and not seriously criticized any member state (Hettne, 2009). The different rulings have been interpreted by some lawyers as a sign that the CJEU, especially in the area of services, seems to prefer to delegate sensitive judgements to the national courts. As long as the protective measures that the regulations refer to appear to be genuine, appropriate, and necessary, and the regulation is proportionate for the purpose, and as long as less far-reaching measures could not obtain the same goal, it is for the national courts to make the judgement, which has meant that different national courts have made different interpretations (Bernitz & Kjellgren, 2002; see also Keuleers, 2003b). However, the Gambelli verdict (C-243/01) in 2003 signalled a new, more severe, view on gambling monopolies, where the court required that the purpose of a gambling monopoly has to be sincere and honest. The judgement emphasised that the economic interest of a member state does not constitute an acceptable reason (C-243/01; see also Bernitz, 2004; Allroth, 2005). The Gambelli verdict can therefore be argued to express a new turn in the previously (relatively) accepting attitude vis-à-vis national regulations and claims of public interest (Hettne, 2005).

Even though gambling is a national question and so far has not been the object of any harmonisation initiatives within the EU, the Commission has on several occasions questioned national gambling regulations. In the last few years, several countries have received inquiries from the Commission on their gambling services and their compatibility with existing EU law. The uniqueness of gambling services has also meant that the EU legislators have largely excluded gambling from a broad sweep of regulation, for example, the Services Directive (2006/123/EC) and the Electronic Commerce Directive (2000/31/EC). Nevertheless, legal experts are of the opinion that an initiative by the European Commission to establish an EU regulatory framework for online gambling services is becoming more and more inevitable, considering the borderless nature of e-gambling services (Keuleers, 2003a; Verbiest & Keuleers, 2004). The efforts of the EU

to promote the development of the Internet also make future action on the EU level about regulation of the gambling market very likely (Cisneros Örnberg, 2006). A European Parliament resolution in 2009 supports the development of common standards for online gambling regarding age restrictions, a ban on credit and bonus schemes directed at vulnerable gamblers, and a maximum amount to be played per week, as well as information about the possible consequences of gambling, where to obtain help in case of addiction, and the potential addictiveness of certain games (European Parliament Resolution (2008/2215(INI)). The resolution, together with the Council Conclusions from 2010 ([http://www.consilium.europa.eu/uedocs/cms\\_data/docs/pressdata/en/intm/118398.pdf](http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/intm/118398.pdf)), the Green paper by the European Commission (COM(2011) 128), the accompanying Commission staff working paper (SEC(2011) 321), and a series of Presidency conclusions, indicates an increased interest in intergovernmental gambling policy development at the EU level.

### **Gambling regulation in Finland and Sweden**

The following section describes how gambling policy development has proceeded in Finland and Sweden.

#### **Sweden**

Lotteries in Sweden fall under two acts of parliament: the Lotteries Act (1994:1000) and the Casinos Act (1999:335). The Lotteries Act is prohibitive legislation which makes it possible only for those with a licence to arrange lotteries within the country, and all such permits are subject to governmental scrutiny. The biggest actor, with 53 percent of the regulated market, is the state-owned company Svenska Spel. Svenska Spel has a monopoly on arranging lotteries and number games, betting on sport events and dog racing (the latter dissolved in January 2006), and slot machine gambling. The company also has the licence to operate the four established international casinos in the country. The second-largest actor, with 31 percent of the market, is Aktiebolaget Trav och Galopp (ATG). ATG is a state-controlled company owned by the horse-racing associations. Various public benefit organisations (in Swedish: Folkrorelserna) arrange lotteries through their company Folkspel and cover about 15 percent of the market. Folkspel was founded in 1989 and consists of approximately 75 voluntary organisations; the surplus of their activities goes back to the members.

The political responsibility for gambling is divided between the Ministry of Health and Social Affairs (MHS) and the Ministry of Finance. The MHS is responsible for public health aspects of gambling, with the Swedish National Institute of Public Health (SNIPH) as the responsible authority. The Ministry of Finance is responsible for overseeing gambling and lotteries and the processing of permits, with the Gaming Board (in Swedish: Lotteriinspektionen) as the central supervisory authority. In 2010, the gross gambling revenue (sales minus prizes) in Sweden was 16.85 billion Swedish crowns (1.89 billion Euros), an increase of 5.5 percent compared to 2008. However, even though the total turnover has increased, the percentage of Swedish citizens' disposable income spent on gambling has stayed the same over several years (Lotteriinspektionen, 2010).

Gambling over the Internet, interactive games, and the increased interest of foreign companies in Sweden have changed the gambling market drastically and put pressure on the monopolistic structure in the country. According to an estimate by Svenska Spel, gambling on sites owned by companies without a licence in Sweden covers about ten percent of the total known gambling market (Lotteriinspektionen, 2011). For several years, international gambling companies such as Ladbrokes, Unibet, and Expekt, together with national newspapers, have been challenging the Swedish gambling monopoly. These betting companies interpreted the CJEU ruling in the Gambelli case as the end for Svenska Spel and its monopolistic position. However, in October 2004, the Swedish Supreme Administrative Court concluded that the Swedish gambling monopoly was not in conflict with European Community law. The court judged that the Swedish regulations were necessary, proportional, and nondiscriminatory. The prohibition in the Lotteries Act on promoting foreign gambling—as well as the Lottery Act as a whole—is not consistent with European Community law on free movement of services and right to establishment, but the Court followed previous CJEU judgements that allow exceptions if the reasons are to protect the public and prevent crime (Regeringsrätten mål 5819–01). However, even though the Supreme Administrative Court established that the main purpose of the regulation was not to benefit the public treasury and that the system as a whole fulfils the demands of European Court law, they indicated that the Swedish system needed a review. It was concluded that while gambling enterprises must be allowed to market themselves, the marketing by Svenska Spel has been aggressive and extensive, especially on TV (Cisneros Örnberg, 2006; Hettne, 2009).

The government therefore appointed an investigation group in 2004 to make a general overhaul of the legislation in the gambling and lottery area. The final report concluded that there were reasons to question the compatibility of Swedish gambling regulation with European Community law, since economic considerations had had a disproportionate importance. The report also argued that it was impossible to legislate against competition from foreign actors and presented an alternative system with licences that both Swedish and foreign gambling operators could apply for. This new system would increase the competition and allow private profit while at the same time being under Swedish control.

However, the report was not able to present a complete bill proposal and analysis of all relevant questions for future Swedish gambling legislation. The Ministry of Finance therefore announced a new extended investigation in 2007 with the purpose of suggesting a long-term gambling regime (Kommittédirektiv, Dir. 2007:79). The report, finished in 2008, made the judgement that the foundation of present gambling regulation is in accordance with EU law and can function as a model for future gambling regulation. The investigation also opened up the option of a new licensing system for betting, with the exception of betting on horses. However, the report has so far not resulted in any law changes.

## **Finland**

The Finnish state monopoly on gambling is regulated by the Lotteries Act (1047/2001). The Government grants licences for three gambling operators for five years at a time, with only one licence valid at a time for each type of gambling. Private companies are not allowed to conduct gambling activities. At the moment, The National Lottery, Veikkaus Ab, which is

totally owned by the state, has a monopoly on the lottery and betting business. Gambling on horses is operated by the state-regulated company Fintoto Oy. Profits from Fintoto go to equestrian sports, and profits from Veikkaus go to culture, sports, and youth work. Raha-automaattiyhdistys (RAY), The Slot Machine Association, has a gaming licence for keeping slot machines available for use, operating casino games, and running casino activities. At the beginning of 2010, RAY's licence was expanded to allow gambling on the Internet. RAY is a consortium of some 100 nongovernmental organisations (NGOs) in the field of health care and social welfare.

The Ministry of the Interior is responsible for gambling licences, and the National Board of Police is responsible for national supervision. The Ministry of Social Affairs and Health (MSH) is responsible for monitoring gambling-related problems (for a more detailed description of the Finnish system, see Jaakkola, 2008). In 2010, the gross revenue (sales minus prizes) from gambling in Finland was 1.53 billion Euros, an increase of 3.8 percent compared to 2009. The market shares were as follows: Veikkaus 52.6 percent, RAY 44.1 percent, and Fintoto 3.3 percent. According to an unofficial estimate made by RAY and Veikkaus, gambling on sites owned by companies without a licence in Finland covers about eight percent of the total known gambling market (Valkama, 2011).

The Finnish monopoly and its compatibility with European Community law were questioned in the Läärä case (C-124/97). In particular, the proportionality of an exclusive licence in relation to the social and economic benefits was discussed. The court case was described as a crucial question for interest organisations, since they to a large extent depend on the subsidy that RAY distributes. The Advocate General of the CJEU proposed that the state monopoly should be replaced by a system with licences, without sole rights, but still including strong state control. The Advocate General indicated that the present situation with vigorous marketing campaigns, the interest from the organisations with licences to increase the amount of gambling, and the deficient control of gambling by youths were all in conflict with the claimed purposes of the monopoly. The CJEU, however, went against the recommendation of the Advocate General and concluded that the Finnish legislation was consistent with the principle of free movement of services and goods, on condition that the restrictions aim at limiting the possible harms of gambling. The Läärä case led, however, to increased national attention to age limits and gambling responsibility.

In the late 1990s, the Finnish monopolies experienced increased competition from the Internet and gambling companies such as Centrebet, Expekt, Ladbrokes, and Unibet. Today, several private companies are offering gambling widely on the Internet in Finnish. In addition to the foreign companies, Finland has had a conflict with the Åland Islands gambling company (PAF). Åland is a Swedish-speaking autonomous region of Finland, and PAF, licensed by the Government of Åland, offers Finnish-language Internet games to the Finnish mainland. The Finnish Supreme Court of Justice announced their verdict in February 2005, fining PAF for violation of the lottery law. However, the legal dispute has continued due to different legal interpretations of the verdict from the Supreme Court of Justice.

Several actions have been taken to compete with nonlicensed gambling companies; for instance, in 2007, the Ministry of the Interior set up a working group whose task was to

propose measures according to which the government could take action to better uphold the exclusive right to organise gambling, tackle social problems associated with gambling, and prevent crime. A first set of law changes came into force in October 2010, and included, for example, tightening control of the marketing of nonlicensed gambling operators.

### **Gambling problems in focus**

As we have shown, the EU involvement in national policy-making in gambling has increased, and, in particular, the Gambelli verdict stressed the importance of sincere and honest public health interest in regulating gambling markets. Gambling monopolies should clearly and effectively focus on preventing gambling-related problems. There are competing ways of defining problem gambling or gambling problems. One consensual definition is: “Problem gambling is characterized by many difficulties in limiting money and/or time spent on gambling which leads to adverse consequences for the gambler, others, or for the community” (Gambling Research Australia, 2005). In what follows, we describe how the gambling monopolies have responded to the recent development and more actively taken on public health-based arguments to protect, and even expand, their field of action in Sweden and Finland.

According to two large studies, the extent of gambling problems in Sweden seems to have remained the same over the last two decades, at about 2.2 percent of the Swedish population. The proportion of the population considered to have a severe gambling problem is 0.3 percent (Rönnerberg et al., 1999; Statens Folkhälsoinstitut, 2010).

Since 1999, the SNIPH has financed a helpline where problem gamblers can receive consultation about their gambling free of charge. A year later, the National Association for Problem Gamblers (Spelberoendes Riksförbund) was founded. This organisation, the SNIPH, Svenska Spel, and other concerned parties cooperate and consult each other when it comes to gambling and gambling responsibility in a trade association called Oberoende spel-samverkan (OSS).

During 2004, the media started to show an increasing interest in the negative effects of gambling. Gambling problems were also discussed in Parliament, and gambling operators started to develop standards for gambling responsibility. Gambling responsibility, the negative effects of gambling, the development of a voluntary organisation for gambling problems, and gambling operators’ development of codes of conduct were focussed on in the public debate. According to the Swedish Gaming Board, gambling responsibility and gambling responsibility programs took a prominent role when it came to the marketing of gambling products (yearly reports by Lotteriinspektionen at <http://www.lotteriinspektionen.se/>).

Furthermore, in 2006, the SNIPH started an education and information campaign about gambling and gambling problems on the Internet. Later, the Gambling Market’s Ethical Council was formed by the Swedish gambling companies with the purpose of working with ethical questions around gambling, lotteries, and their advertisement. Svenska Spel also introduced a service called Spelkoll on the Internet that analyses gambling patterns and alerts the person if risky changes in their gambling patterns are discovered.

In Finland, gambling problems became a public topic at the beginning of the 1990s, when the first studies on gambling problems were published (Murto & Niemelä, 1993; Rahapelit Suomessa, 1993). As an after-effect, experimental treatment programmes for problem gamblers were established. Gambling-related problems then emerged as a bigger political issue in the 2000s. An important milestone was the renewed Lotteries Act in 2001/2002, which gave the MSH the task of monitoring gambling-related problems. MSH commissioned a population study to estimate the prevalence of problem gambling in Finland. This survey was repeated in 2007; the prevalence of risky gambling habits was estimated to be about three percent among Finns over 15 years of age (Tammi, 2007; Aho & Turja, 2007).

The social and other problems involved in gambling were also addressed in the governmental Gaming Forum in 2004. The MSH also established a working group on gambling problems (2006–2007), which proposed that preventing problems should be the primary goal of gambling policy and proposed several policy restrictions. A working group was appointed in 2007 to revise the Lottery Act. The proposals led to restrictions on the marketing of the games, the classification of games according to their harmfulness, and new ways of organising the supervisory authority, but they also led to the start of Internet poker and other Internet casino games by the RAY.

In the 2000s, all Finnish monopoly organizations have introduced their own responsibility programmes, emphasising their actions to reduce and prevent problem gambling. As in Sweden, they also fund the helpline and treatment programmes for compulsive gamblers (see Tammi, 2008).

### **Expanding the territory: Monopolies launch Internet poker**

So far we have shown that Sweden and Finland have had quite similar gambling policy developments during the last decades, including the emergence and adoption of a problem gambling prevention perspective to comply with the increased EU pressures. However, the emphasis on problem gambling has meant not only restrictions and preventive campaigns but also the expansion of Internet gambling. Next we describe the processes of extending the Swedish and Finnish monopolies to include Internet poker. The public health approach has been a central point of discussion when the monopolies have been granted licences to Internet poker.

Globally, the possibility of playing Internet poker for real money has existed since 1997 but has in recent years developed exponentially. At the same time, “ordinary” poker has received increased media attention. Estimates of global online gambling during 2008 amount to \$3.8 billion, where poker is estimated to be 35 percent of the turnover (Tryggvesson, 2007; Lotteriinspektionen, 2010).

In 2005, Svenska Spel applied for the right to arrange Internet poker gambling. The purpose of the launch was, according to the application, mainly to meet the increased competition from foreign gambling companies already organising poker games on the Internet that were available for Swedish gamblers. Svenska Spel expressed hopes that they would be able to take over gamblers from foreign gambling sites, a so-called canalization argument, which

would be good from a problem gambling viewpoint since a state-owned company would take concerns other than simply short-term commercial objectives into account and be subjected to more efficient control and follow-up than commercial companies. Svenska Spel also presented a gambling responsibility program which would include certain restrictions on gambling and thereby diminish the risk of harmful gambling (Tryggvesson, 2007; Stymne, 2009).

Two authorities, the SNIPH and the Swedish Gaming Board, gave their opinion on the application from Svenska Spel, and both authorities recommended a rejection. According to the SNIPH, the new forms of gambling contained all or most of the factors that research has shown increase the risks for problem gambling (availability, speed, no natural endpoint). Furthermore, the SNIPH argued that poker gambling facilitates the gambler overestimating the importance of their own skilfulness, and that it is a form of gambling with special risks for young people. There is also the risk that new gamblers—ones that would never gamble on international sites—would be introduced, which most likely would give rise to more people addicted to gambling. Furthermore, the effects of responsible gambling programmes had not been evaluated, so it was unclear whether they could compensate for increased gambling (Remissyttrande Dnr 21-05-0192; see also Jonsson, 2005). The Swedish Gaming Board had a somewhat different angle in their comments. In addition to an increase in gambling-related problems, they also warned about a one-sided increase in Svenska Spel's competitiveness. Measures not corresponding to the protective purpose of the law could be in violation of EC law and possibly jeopardize Swedish gambling regulation.

However, the government chose not to listen to the two opinions, and the application from Svenska Spel to the government for permission to arrange poker games on the Internet was accepted in November 2005, with a start in March 2006 and a governmental evaluation after one year. The Swedish government's reasons were similar to the ones presented by Svenska Spel, but with an extra focus on the control aspect. The government argued that a continued increase in the share of Swedish gamblers on foreign gambling company sites meant a decrease in the Swedish authorities' potential to control gambling that in practice is performed in Sweden. Furthermore, in the present situation the surplus of Swedish gambling would not be to the benefit of public good but rather go to private profit interests. It was also the government's assessment that the licence resulted in a strengthening of the potential to meet the protective interest of the Lottery Act and was thereby compatible with the EC law.

When Svenska Spel started their Internet poker site, it was the first state-owned gambling Web site in the world. The permit given was temporary and valid until 31 December 2007. However, while awaiting the report and evaluation of Internet poker gambling in Sweden (SOU 2008:36), this was extended to 1 July 2008. The permit was given under certain conditions: only people over the age of 18 were allowed to gamble; each gambler had to state a limit on how much money they agreed to lose and how much time they would allow themselves to gamble each day, week, and month; the marketing of Internet poker was only allowed in newspapers and on the Internet; Svenska Spel had to provide the number of the support line in connection with their advertising.

In 2006, Svenska Spel's launch of their Internet poker site was big news in Sweden and internationally. In 2007, Svenska Spel managed to take a considerable share of the Swedish market: according to Svenska Spel's own figures about 35 percent. The site rapidly became one of the five largest poker sites in the world ([Svenskaspel.se](http://Svenskaspel.se)). During the following years, Internet poker held a unique position on the gambling market, and the interest does not seem to have diminished. The number of Internet poker gamblers in 2007 could be estimated at 200,000. Out of these, 70,000 made their poker debut at Svenska Spel, but only 50 percent continued to gamble only on Svenska Spel. According to the same figures, about 20,000 were canalized from other sites to Svenska Spel (SOU 2008:36). At the same time, the number of calls to the SNIPH support line regarding poker games increased considerably ([Lotteriinspektionen.se](http://Lotteriinspektionen.se)). Considering that the main goal of the canalization argument is to steer current gamblers to nationally controlled gambling, and not to increase the total amount of gambling (SOU 2006:11), one can argue that introducing Internet poker was questionable from a public health point of view.

Svenska Spel's licence to arrange Internet poker, as well as the way the company had followed the terms stated in the permit, was evaluated in a report presented in March 2008. A governmental inquiry evaluated Svenska Spel's site and the responsible gambling measures. The inquiry concluded that the conditions concerning responsible gambling were fulfilled and the conditions on promotion were followed. Those playing only on Svenska Spel's site, according to the report, took fewer risks and had fewer gambling problems than those playing on other sites. Since Svenska Spel fulfilled the requirements, the national debate which followed has not included any questioning about Internet poker conducted by the monopoly. On the other hand, there have so far not been any extensions of the licence to other gambling areas, such as Internet casinos, on the regulated market.

The Swedish experiment on Internet poker was closely followed in Finland. Soon after Sweden launched Internet poker, public discussion about national Internet poker started in Finland. The proponents, most visibly the Minister of Culture and Sport, suggested that one of the national lawful operators should take responsibility for Internet poker. Both RAY and the MSH dismissed the minister's suggestion, stating that domestic Internet games would simply add to gambling problems (YLE Uutiset 2008; HS 2008).

In 2007, there were approximately 125,000 Internet-poker players in Finland (Tammi, 2007). In April 2009, the working group set to reform gambling legislation proposed that RAY should offer casino games on the Internet. The main argument was that it should not make any difference which medium is used for gambling. Although at first averse to the idea of monopoly-based Internet poker, RAY applied for the right to arrange Internet gambling. Before the final permission, the Ministry of the Interior had asked opinions about RAY's application from ten stakeholder organizations in the field. The most critical opinion came from The National Institute for Health and Welfare (THL). THL referred to the critical views of its sister organisation in Sweden (SNIPH) and stated that starting Internet poker would increase the number of problem gamblers. THL also made reference to the Swedish Gaming Board's view that starting Internet poker could be in violation of European Commission Law.

From the viewpoint of public health, it is noteworthy that, as in Sweden, the Finnish government chose not to listen to the critical opinions, and RAY received the licence and opened the Internet casino with a wide range of slot machines, casino table games, and online poker in November 2010. It was expected to generate approximately €25 million during the first year of operation (RAY, 2010). Even if the process of adopting Internet poker was slower in Finland than in Sweden, the Finnish monopoly eventually expanded its territory more than the Swedish government chose to do.

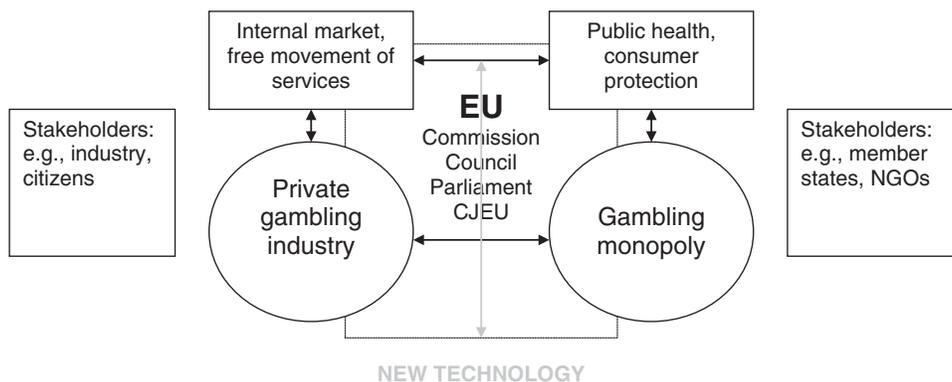
### **Discussion and conclusions**

The way in which a problem is perceived and talked about affects actual policy-making. One result of the European integration process is that new policy areas are created and areas that have been national become partly European. National and European politics become intertwined, which leads to changes in the nation state and opens up possibilities and channels for actors other than those representing the state. These actors could include other member states, but also interest organizations or lobby groups. Different actors have different views on how to frame a concept, policy field, or problem (Cisneros Örnberg, 2009).

In comparison with alcohol policy, for example, the harmonisation of gambling policy has been a slow process. This could be based on the fact that most member states within the EU have some form of regulation on gambling, and the sympathy for keeping it a national matter is greater than for alcohol. A problem with future harmonisation among the member states in the gambling area is the lack of political will among the member states to establish a borderless gambling market with free competition. One main reason for this is that gambling monopolies are frequent among the member states and bring in considerable tax revenues (Hettne, 2005). The increased interest of Svenska Spel and other gambling operators in “responsible gambling” is remarkable but at the same time understandable and in line with the development of European case law.

Figure 1 illustrates in a simplified manner the current European policy context, where, although gambling is foremost a national concern, gambling is negotiated simultaneously as an issue that can infringe EU law and as an issue with public health concerns. During the last decade, an increased interest in public health questions is discernable on the EU level, supported by the Amsterdam and Maastricht Treaties, and also by previous CJEU decisions. Furthermore, the Gambelli and Markus Stoß verdicts (C-243/01 & C-316/07) stressed the importance of sincere and honest public health interest when it comes to regulating gambling markets. Gambling policy can in this way elucidate the need for member states to emphasize the public health aspect of national regulations. This is partly done by focussing on the problems related to the area in question, above all in the form of research with preferably comparable figures over time and between member states, but also through a medicalisation of the question with increased treatment possibilities. Thus, European integration and EU membership have made the prevention of social and individual problems an important justification for the gambling monopoly and an important area for action in both countries.

Figure 1. Gambling policy dynamics in the EU



We have analysed from a comparative perspective how two monopoly-based gambling policies have become redefined in Finland and Sweden. What we have seen is an increased focus on public health-related gambling problems but also a new supply of gambling opportunities on the Internet. To date, this parallel strategy by the two Nordic monopolies of increasing both regulations and supply has proved a successful political adaptation strategy to the rapidly changing economical, political, and technological context where the justification of national gambling monopolies has been questioned.

In Western Europe, concurrent processes of convergence and divergence of national gambling policies are going on. The tendency towards convergence of policies takes place due to the increasing political demand to incorporate gambling-related harm prevention into the code of conduct of the gambling industries, and this tendency is shared between gaming operators regardless of their status as monopoly-based or private businesses. The parallel process of divergence takes place because national monopolies also take different directions in adapting their gambling policies to the EU. Some give up or significantly weaken their monopolies in order to conform to EU free movement and establishment of services, whereas some monopoly systems ally with EU principles related to protection of consumers and public health.

This divide has resulted in two major lines of development: while in some countries monopolies are being abandoned or their role in the markets is becoming weaker, in some other countries the monopolies are reformed and fortified to meet the new challenges. Sweden and Finland have taken the latter path, with an increased focus on problem gambling, thus emphasising the responsible nature and particular capability of monopoly-based gambling markets to tackle these problems. The Finnish and Swedish monopoly organizations have accepted the problem aspect and incorporated it into their business model. This has made it possible not only to safeguard the monopoly system but also to extend it to cover Internet gambling, all in the name of a socially safe and responsible option for the private and cross-border gambling industry.

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