

POLICY RE-CATEGORIZATION AND INTEGRATION

Europeanization of Nordic Alcohol Control Policies

Trygve Ugland

**Dissertation submitted to the Department of Political Science,
Faculty of Social Sciences, University of Oslo in Fulfilment of the
Requirements for the Degree of doctor rerum politicarum on 10 August 2001**

CONTENTS

<i>List of Figures</i>	6
<i>Acknowledgments</i>	7
CHAPTER 1: INTRODUCTION, THEORETICAL PERSPECTIVE AND METHODOLOGY	9
1.1 Introduction	9
<i>1.1.1 Policy integration and disintegration</i>	9
<i>1.1.2 Policy matches and mismatches</i>	14
1.2 Policy areas as more or less integrated systems	18
<i>1.2.1 Policy consistency</i>	21
<i>1.2.2 Policy interdependence</i>	23
<i>1.2.3 Policy and structural connectedness</i>	24
1.3 Implications of variations in patterns and degrees of policy integration	25
<i>1.3.1 Re-categorization as consequential versus rule-based action</i>	28
<i>1.3.2 Policy integration, legitimacy and justification</i>	32
1.4 Methodology	36
<i>1.4.1 An embedded multiple case study</i>	36
<i>1.4.2 Pattern-matching: A policy re-categorization model</i>	38
<i>1.4.3 Empirical sources</i>	42
<i>1.4.4 Reflections on the empirical sources</i>	46
1.5 Dissertation structure	48
CHAPTER 2: NORDIC ALCOHOL CONTROL POLICIES AS MORE OR LESS INTEGRATED SYSTEMS	51
2.1 Background	51
2.2 Nordic alcohol control policies and policy consistency	54
<i>2.2.1 The state alcohol monopoly systems</i>	56
<i>2.2.2 Taxation and pricing of alcoholic beverages</i>	64
<i>2.2.3 Nordic variations in policy consistency</i>	66
2.3 Nordic alcohol control policies and policy interdependence	68
<i>2.3.1 Nordic variations in policy interdependence</i>	69
2.4 Nordic alcohol control policies and structural connectedness	72
<i>2.4.1 Nordic variations in structural connectedness</i>	73
2.5 Contrasting patterns and degrees of alcohol control policy integration in Finland, Norway and Sweden	82
2.6 History as inefficient: Continuity and change in Nordic alcohol control policies	84

CHAPTER 3: ALCOHOL, ALCOHOL CONTROL AND THE EU.....	87
3.1 Introduction.....	87
3.2 Alcohol and alcohol control in the EU member states.....	88
3.2.1 <i>A disintegrated approach towards alcohol control.....</i>	88
3.2.2 <i>Economic, cultural and historical aspects in relation to alcohol.....</i>	92
3.3 Alcohol and alcohol control on the EU level.....	97
3.3.1 <i>Alcohol control measures on the EU policy agenda.....</i>	97
3.3.2 <i>Alcohol and the European Court of Justice.....</i>	100
3.4 Specification of the substantive policy mismatch.....	101
3.5 Policy re-categorization in the area of alcohol control policy.....	103
 CHAPTER 4: NORDIC ALCOHOL CONTROL POLICIES IN THE MEETING WITH THE EU.....	 105
4.1 Introduction.....	105
4.2 EFTA, EU and the Nordic countries.....	107
4.3 The state alcohol monopoly systems.....	110
4.3.1 <i>The Nordic version: Instruments of health and social policy.....</i>	110
4.3.2 <i>The EU version: Monopolies of a commercial character.....</i>	113
4.3.3 <i>A partial de-monopolisation: Nordic discord and separate adaptations.....</i>	115
4.3.4 <i>The monopoly issue on the domestic arenas.....</i>	117
4.3.5 <i>Finnish and Swedish exchange of letters with the Commission.....</i>	122
4.3.6 <i>Norwegian exchange of letters with the ESA.....</i>	123
4.3.7 <i>Continuation of the retail monopolies: Towards a new Nordic accord.....</i>	127
4.3.8 <i>The Swedish retail monopoly before the ECJ.....</i>	128
4.3.9 <i>The Norwegian retail monopoly before the EFTA Court.....</i>	130
4.4 The high alcohol taxes and prices.....	132
4.4.1 <i>Tax harmonisation within the EU.....</i>	133
4.4.2 <i>Establishment of common tax legislation.....</i>	133
4.4.3 <i>Free movement of goods.....</i>	136
4.4.4 <i>A Nordic derogation in the accession negotiations.....</i>	136
4.4.5 <i>Renegotiating the restrictions on travellers' imports: Nordic discord and separate adaptations.....</i>	141
4.4.6 <i>Cross-border trade in alcohol within the internal market.....</i>	144
4.4.7 <i>Cross-border trade in Alcohol with Third Countries.....</i>	145
4.5 The two main pillars of Nordic alcohol control policies in the meeting with the EU.....	147

CHAPTER 5: RE-CATEGORIZATION OF NORDIC ALCOHOL CONTROL POLICIES.....	149
5.1 Policy integration, justification and adaptation.....	149
5.2 The partial de-monopolisation.....	150
5.2.1 <i>Finland: Abolition of the “Foreign trade monopolies”.....</i>	151
5.2.2 <i>Sweden: Striking a compromise with the Commission.....</i>	153
5.2.3 <i>Norway: Court driven adaptation towards the compromise solution.....</i>	154
5.2.4 <i>Discussion: Policy integration and justification.....</i>	159
5.3 The tax and price instrument under pressure.....	167
5.3.1 <i>Discussion: Policy integration and justification.....</i>	168
5.4 Policy re-categorization, reconsideration and reinterpretation: A question of appropriate use of policy instruments.....	172
 CHAPTER 6: DISINTEGRATION AND REINTEGRATION OF NORDIC ALCOHOL CONTROL POLICIES.....	 179
6.1 Introduction.....	179
6.2 Disintegration of Nordic alcohol control policies?.....	180
6.3 Disintegration of Nordic alcohol control policy cooperation?.....	185
6.4 Policy integration and national problem- solving.....	191
 CHAPTER 7: CONCLUSIONS.....	 199
7.1 Europeanization of Nordic alcohol control policies.....	199
7.1.1 <i>The policy context: Policy mismatch and re-categorization.....</i>	200
7.1.2 <i>The policy process: Policy reconsideration and justification.....</i>	202
7.1.3 <i>The policy outcomes: Disintegration and reintegration.....</i>	206
7.1.4 <i>Different affiliation but similar outcomes.....</i>	211
7.1.5 <i>Trends of policy homogenisation?.....</i>	213
7.2 Dynamics of public policy change and continuity.....	215
7.2.1 <i>Eight theoretical themes on policy dynamics.....</i>	216
 <i>Appendix 1: Nordic Alcohol Control Policies and the EU – A Chronology.....</i>	 221
<i>Appendix 2: Letters.....</i>	235
<i>Appendix 3: Informants.....</i>	237
<i>References.....</i>	239

FIGURES

Figure 1.1	A policy re-categorization model.....	39
Figure 3.1	Comparative dollar price levels on alcoholic beverages of final expenditure of GDP in 1993.....	89
Figure 3.2	Principal exporting countries of alcoholic beverages in the world in 1992...	93
Figure 3.3	Per capita alcohol consumption in 15 European countries in 1990.....	95
Figure 4.1	Excises on alcohol in the EU member states and Norway, 1995.....	138
Figure 4.2	Maximum quantities of beer, wine, strong wine and spirits that can be brought back by travellers for personal consumption after visits in other countries within the EEA Area as of 1995.....	141
Figure 6.1	Excises on beer (5 %) in Euro per litre pure alcohol, 1995-2001.....	194
Figure 6.2	Excises on wine (11%) in Euro per litre pure alcohol, 1995-2001.....	194
Figure 6.3	Excises on strong wine in Euro per litre pure alcohol, 1995-2001.....	195
Figure 6.4	Excises on spirits in Euro per litre pure alcohol, 1995-2001.....	195

ACKNOWLEDGMENTS

This dissertation owes much of its content to the thoughts and efforts of persons other than the author. My greatest debts are to my supervisor Johan P. Olsen, whose ideas and insights inspired me throughout this study. His comments and suggestions on various drafts were always pertinent, and I never left his office without having learnt something. Johan also welcomed me to the stimulating multi-disciplinary research environment at ARENA (Advanced Research on the Europeanization of the Nation State), University of Oslo; a contact that I have benefited substantially from.

I am also deeply grateful to the National Institute for Alcohol and Drug Research, SIRUS (former SIFA) for their financing of this study, as well as for providing me with excellent working conditions continuously since 1996. My appreciation goes to both academic colleagues and administrative staff. Through SIRUS I was introduced to the very active alcohol research community in the Nordic countries at an early stage. This co-operation has lead to several books and articles, and my thanks go to co-authors, editors and reviewers of these collaborative projects.

Thanks also to the GRASP (Health and Prevention Research Group), University of Montreal where I worked as a visiting researcher for some months on two occasions during this study. My gratitude also goes to Elizabeth Meehan at the Queen's University of Belfast for stimulating my interest in the field of European integration during my ERASMUS-stay as an undergraduate student in Northern Ireland in 1993.

A number of people who have read various parts of this dissertation and provided valuable suggestions deserve a special mention. In particular, I would like to thank Jan Andersen, Svein S. Andersen, Andreas Føllesdal, Hans P. Graver, Kåre Hagen, Paulette Kurzer, Agustín José Menéndez, Grethe Veiåker Nilsen, Caroline Sutton,

Ulf Sverdrup, Christoffer Tigerstedt and Frode Veggeland. Especially Frode and Grethe have followed my work closely through out this period, and our numerous get-togethers were always enjoyable and revealing.

I reserve the final thanks for other friends and family, and above all my wife Catherine and our baby-girl Léa. Catherine moved from her much beloved Montréal to Oslo in order for me to complete this dissertation, and she has been a source of constant inspiration. I am so thankful for your support!

Trygve Ugland
Oslo, August 2001

CHAPTER 1

INTRODUCTION, THEORETICAL PERSPECTIVE AND METHODOLOGY

1.1 Introduction

1.1.1 Policy Integration and Disintegration

The overriding theme in this dissertation is the interplay between changes in public policies on the national and the European Union (EU) level in connection with processes of increased European integration. This interplay will be approached and studied within a context of EU enlargement processes. However, this study will not exclusively focus on the membership/non-membership dichotomy. Rather, it will also take a closer look at another specific type of affiliation with the EU. The establishment of the European Economic Area (EEA) Agreement and its policy implications for the participating states are here key.

This study will make a contribution in the search for a more systematic knowledge about the dynamics of public policy change and continuity. Theoretically, the ambition is to uncover what makes some policies and policy components more robust and stable than others, as well as to further the understanding of the processes through which changes do take place. Accounts of variations in policy developments can be sought on different levels, but research on the ongoing transformation of the European political landscape is particularly suitable for addressing issues of this type. Besides these general theoretical concerns, increased knowledge about these dynamics may provide analysts with a better understanding of historical national and EU policy developments, as well as offering predictive power in connection with future enlargements and co-operation agreements.

Analytically, two simple questions can at this stage be employed in order to condense and specify this theme. First, how will domestic public policies be affected in the meeting with the EU? Second and correlated with the first, to what degree and under what conditions can new member states influence and shape the common EU policy agenda?

The answer to the first question is most often sought on the basis of some kind of a bi- or multi relational comparison of the extent to which a specific domestic public policy area is compatible with the corresponding policy area in the EU, and/or with policy counterparts in the established member states. Matches and mismatches between the national and the European levels are then identified, and the *ceteris paribus* assumption in this connection is often: If the policy relationship across these levels match each other and is marked by conformity, the impacts of EU membership will be limited. In cases of mismatches and divergences, enlargement processes will produce pressure for policy changes. Domestic policies are generally thought of as particularly prone to being exposed and vulnerable to adaptational pressure when the “goodness of fit” is low (Caporaso and Jupille, 2001; Cowles, Caporaso and Risse, 2001; Knill and Lenschow, 2001).

Nevertheless, enlargement processes can also lead to changes in the common EU policy agenda, as changes in the relations between organised units often take the form of a process of mutual adaptation and co-evolution, rather than unilateral adaptation (March and Olsen, 1995). This assumption may also be valid here, leading us to the second question, to what degree and under what conditions can new member states influence and shape the common EU policy agenda? Single countries can influence the EU policy agenda in notable ways. Germany’s role as the key leader in the progression of a common EU environmental policy is here a good example (see for instance Sbragia, 1996). Furthermore, although that the UK was alone among the then twelve member states in its support of the establishment of a common EU energy policy in the early 1990s, a new directive on energy policy was developed and eventually passed in 1998. In the energy case, the European

Commission was identified as the driving force (Andersen, 1999; 2001).

Even though changes in public policies may occur both on the national and the EU level, this study's primary focus will be on the first question, dealing with the topic of how domestic public policies are likely to become affected in the meeting with the EU.

Both of the questions posed above are most often in the literature addressed and treated in a manner in which it is presupposed that there at the outset exists a policy category that corresponds to any domestic policy area at the European level, either on the established common EU policy agenda, or in other member states. The basis of comparison is however not always that straightforward. A special case can be identified when a specific public policy area is *unique* for one nation state or for a group of nation states that seeks increased integration. This phenomenon will be the centre of attention in this study.

It is here assumed that domestic policy areas that do not have a corresponding counterpart on the common EU policy agenda or in any of the established member states are particularly likely to be exposed to changes in the meeting with the EU.¹ At this stage, this assumption is based on the following tentative theoretical argument: As a result of increased participation and integration into an organised unit that strives for “an ever closer union”, unique domestic policy areas will be transformed in a way that will diminish the diversity in European public policies. What will in this dissertation be referred to as policy *disintegration* through processes of *re-categorization* is thought to be of particular relevance in relation to this special case.

The concept of policy re-categorization is at this juncture utilized in order to describe a process in which existing components of a domestic public policy area

¹ The precondition here is that elements of that particular policy area in one way or another are relevant for the activities of the EU.

become redefined or reframed against the background of the predominant EU patterns of substantive and procedural standards, and thereby detached from the established context. The principal EU project has been one of market building, and there are numerous examples in the literature that illustrate how parts of domestic policies have become re-categorized in relation to competition policy and the internal market, which are at the core of EU politics. The centrality of competition policy in the EU is preserved in the Treaties, and according to Scharpf “the four economic freedoms, and the injunctions against distortions of competition, have in fact gained constitutional force vis-à-vis the member states” (1999: 58). Leibfried and Pierson (1995; 1996) have identified a considerable degree of market infusion in the realm of domestic social policies. They claim that the EU has invaded the domain of social policy in a way that makes the tidy separation between “market issues” and “social issues” unsustainable (Leibfried and Pierson, 1996: 186). Along these lines, policy re-categorization processes can contribute to changing the cognitive structures associated with a specific area of domestic public policy, as the established understandings of what constitute legitimate arguments and actors may become challenged. This in turn can put strain on the nation state in its efforts to maintain the policy coherence. Policy re-categorization might in this way become a source of policy disintegration.

Policy disintegration can be understood as the outcome of a process in which what has previously been considered to be united components of a coherent policy has become split up. The idea at this point is that in the meeting with the EU, unique domestic policy areas will not be considered from a holistic perspective, but focus will be put on independent policy components through different processes. This idea can be viewed in relation to more general observations of disintegration of political institutions and structures on the member state level in connection with processes of European integration (Jachtenfuchs, 1997).

Consequently, public policies can be transformed in the meeting with the EU even if a corresponding policy category for that particular policy area on the European

level does not exist. In fact, and as we will return to later, in these cases the potential for changes in domestic policies may even increase compared to situations where there at the outset exists a common and shared understanding about that an area of social activity needs to be regulated through a formal public policy program.

In spite of this, policy disintegration is not the only feasible outcome pertaining to this special case. An area of domestic public policy can also become more integrated or *reintegrated* in the meeting with the EU in a way that reduces long-established incoherencies and inconsistencies. This may in turn contribute to tightening the integration between the various policy components, and of the policy area as such. These two processes do not exclude each other, as policy integration can occur through disintegration, adaptation or even elimination of loosely integrated policy components. This illustrates both that the outcomes of these processes may vary, and that the outcomes to a large degree will be dependent upon established characteristics of the specific policy area in question.

The various policy components may follow different patterns of change and continuity, and the notion of a public policy area as something uniform and homogeneous is hereby challenged. The idea is that processes of European integration can lead to substantial adjustments or even the termination of some policy components, while others will be more or less unaffected. Some may even be adopted in one form or another on the common EU policy agenda. Also the processes through which changes occur may vary amongst different policy components. Some changes are likely to actuate domestic resistance and conflict, whereas other processes will proceed in a smoother and less frictional manner. One viable option is to view these variations in relation to how a specific policy area was integrated on the domestic level prior to the meeting with the EU. The core assumption here is that existing patterns and degrees of policy integration can offer an important contribution to accounting for variations in the dynamics of domestic policy change and continuity in connection with processes of European integration.

This is also the main research hypothesis in this dissertation, which will be further specified by invoking the concept of policy re-categorization.

Besides this, the details about the internal policy dynamics must be complemented with a specification of the *policy mismatch* between the domestic and the European levels, as well as the role this policy mismatch played in the negotiations with the EU.

1.1.2 Policy Matches and Mismatches

The impacts of increased European integration and EU membership on domestic public policies may depend on characteristics found among the nation states that are subject for attention. In this study, the three Nordic countries Finland, Norway and Sweden, which engaged in negotiations with the EU for establishment of the EEA from 1990 to 1992, and then for full membership in 1993 and 1994, will constitute the main research units.

In a study like this, it will be of importance to define and specify central characteristics with the specific domestic public policy area that is subject for investigation, and at the same time try to identify matches and mismatches with the EU level. At this point, a distinction can be made between two analytical categories characterising policy mismatches.

The first one emphasises the differences in the modes of operation of a public policy area, and can be named a *procedural* policy mismatch. This mismatch is primarily of technical character, and the question is: How to regulate? This kind of mismatch exists when a state or a group of nation states that seeks increased integration has organised a policy area differently than the established member states, or the EU as a whole. Although the modes of regulations may vary, the belief that a specific area of social activity needs to be regulated through a public policy program is shared. We here confront potential mismatches concerning the

levels and degrees of regulations. New member states will in these cases have to consider whether their modes of operation of a policy area are compatible with the corresponding policy area in the EU, and/or with the policy counterparts in other member states.

The second type of mismatch can be named a *substantive* policy mismatch. This kind of mismatch refers to the substance of public policies, and the question is: What is to be regulated? In these cases, differences with regard to either the desirability and/or feasibility of regulations, has resulted in that a specific public policy area is unique for one nation state or for a group of nation states that seeks integration.

This study focuses on the latter type of mismatch, which might be said to be more profound than procedural policy mismatches. A substantive policy mismatch between the domestic and the European level could be observed especially in one area when Finland, Norway and Sweden decided to participate more closely with the EU at the end of the 1980s. The centralised and formalised restrictive health and social policy oriented *alcohol control policies* of the Nordic countries have been portrayed as unique in a European context (Holder et al., 1998; Kurzer, 2001; Tigerstedt, 1990b; Ugland, 2000a).² The general theoretical hypothesis about the relationship between patterns and degrees of policy integration on the one hand, and the dynamics of policy change and continuity on the other, will be addressed by studying the impacts of the European integration process on these policies.

These dynamics can be conceived of in terms of “Europeanization”, referring to the process in which European integration becomes an increasingly more relevant and

² Throughout this study, the concept “Nordic countries” refers to Finland, Norway and Sweden, which applied for full membership in the EU in 1991 (Sweden) and 1992 (Finland and Norway). Although falling under the notion of “Nordic countries”, Denmark and Iceland will not be included in this study. Denmark has been a member of the EU since 1973, but has a more liberal alcohol control policy tradition. Iceland did not apply for EU membership together with Finland, Norway and Sweden, but the country shares the tradition of a state oriented restrictive alcohol control policy.

important point of reference for the actors, leading to adaptation and changes in, and within, policies and institutions at the domestic level (see Olsen, 1996; Hanf and Soetendorp, 1998; Sverdrup, 2000).

However, several aspects in connection with this substantive policy mismatch must be elaborated upon in order to evaluate these impacts.

First of all, the essence of this policy mismatch must be specified and uncovered. In order to do this, the substantive policy mismatch will be viewed in relation to the concept of policy integration. Contrasts in patterns and degrees of policy integration are assumed to be a central aspect of the Nordic uniqueness with respect to alcohol and alcohol control policy. In order to develop knowledge about these dynamics, the health and social policy oriented alcohol control policies of the Nordic countries will be viewed from both a national and a Nordic, as well as from a wider EU and European perspective. The role of alcohol and alcohol control on the EU policy agenda, and in the established EU member states will also be mapped out.

Although this study focuses on what has been referred to as a substantive policy mismatch the question of policy integration should also be of relevance in studies where there at the outset exists a shared belief among the various member states that a specific area of social activity needs to be regulated through a public policy program.

Second, whether a unique policy area is a response to a problem that is unique for one nation state or for a group of nation states that seeks integration is assumed to be different from cases where a unique policy is established to solve problems that are equally shared by several, or even each of the EU member states. The example that was given earlier concerning Germany as the driving force in the establishment of a common EU environmental policy provides an example of an establishment of a common policy as a response to a common problem, but initiated and mainly

pursued by a single country. Whether Nordic alcohol control policy can be regarded as a response to factors and characteristics that are unique for Finland, Norway, and Sweden, or alternatively as a unique response to a common problem for each EU member state, will therefore be discussed.

This illustrates that the policy relationship with respect to alcohol and alcohol control also must be viewed in a wider perspective, where historical, economic and cultural factors are drawn into the analysis. The background and development of Nordic alcohol control policies will therefore be accounted for, and the environments that surround these policies will be mapped out. Both changing national and international trends will here be of relevance.

Third, negotiations involve the identification of policy mismatches and creation of policy matches. Intentionally or unintentionally, not all mismatches will be dealt with in the pre-accession phase, and various mismatches are subjected to varying degrees of attention. The role of unique domestic policy areas in negotiations on increased European integration must consequently be elaborated upon. The question is both whether these policies will be presented in a special way by the national political authorities in the negotiations with the EU, as well as whether these kinds of policies will become subject to special attention from the EU level. The concept of policy re-categorization that has been introduced earlier is assumed to be of particular relevance in this negotiation phase, as it touches upon cognitive elements like presentation, identification and conception of public policies across borders.

In addition to the national-EU dynamics, a closer look will also be taken at the Nordic level. Central questions in this respect are; to what degree did the different components of the health and social policy oriented alcohol control policies in Finland, Norway, and Sweden actually constitute a coherent and consistent policy area? How integrated was it? And, what about national variations between each of the three Nordic countries concerning these questions? This means that not only the

notion of a public policy area as something uniform and homogenous will be challenged, but also the notion of “Nordic alcohol control policies” will be challenged with reference to policy uniformity and homogeneity across the three countries.

The policy cooperation and coordination among these countries in this area of public policy has traditionally been extensive. Links have been established between various subunits of the three systems. In light of this, a question that also will be analysed is whether increased European integration for Finland, Norway, and Sweden has contributed to processes of disintegration of Nordic alcohol control policy cooperation and co-ordination. Variations in patterns and degrees of alcohol control policy integration among the three countries are in this perspective assumed to challenge and perhaps weaken both the motivation and the ability to cooperate on these issues in negotiations with the EU.

1.2 Policy Areas as More or Less Integrated Systems

The main hypothesis in this dissertation is that existing patterns and degrees of policy integration can offer an important contribution in accounting for variations in the dynamics of public policy change and continuity. In order to test this hypothesis, attention has been given to a specific domestic policy area where the relationship between the national and the EU level was described in terms of a substantive policy mismatch. Potential outcomes (policy disintegration versus reintegration) through processes of policy re-categorization were indicated in connection with this special case. The task in the next sections will be to specify this general hypothesis by linking the concepts of policy *integration* and policy *re-categorization*.

Policy re-categorization can occur through different processes, but also the

outcomes may vary in a systematic fashion. The idea here is that some of these variations can be accounted for by examining how a specific area of public policy was integrated before it became exposed to processes of re-categorization. A further specification of this hypothesis will require a deeper understanding of the notions of “policy” and “policy integration”.

Policy is neither a precise nor a self-evident term, and it is loaded with cultural and historical variations. As Ostrom and Sabetti have observed: “Policy as used in English is not easily rendered into French, German, Italian and Spanish” (1975: 41). The Scandinavian languages could be added to this list, and probably also a whole range of other languages. The distinction between “policy” and “politics” is unclear in most languages, perhaps apart from in English. Historically, the meaning of “policy” has changed in parallel with changes in policy practices, and the Machiavellian sense displayed in Shakespeare’s writings stands in firm contrast to the more neutral connotations that are associated with the notion in modern liberal democratic systems (Parsons, 1995).

The element of purposiveness is central in most contemporary usages of the word (Parsons, 1995). This is evident in both dictionaries and in academic textbooks. The Oxford English Dictionary refers to policy as “A course of action adopted and pursued by a government, party, ruler, statesman, etc.; any course of action adopted as advantageous or expedient”. According to Jenkins, policy is “a set of interrelated decisions (...) concerning the selection of goals and the means of achieving them within a specified situation” (1978: 15). In line with this understanding, all definitions of policy analysis have been said to “boil down to the same thing – the description and explanation of the causes and consequences of government action” (Dye, 1976: 1).

The concept of policy is often used as an umbrella term, and it has for instance been said to apply to “something bigger than particular decisions, but smaller than general social movements” (Heclo, 1972: 84). These decisions, taken together, can

form a more or less uniform and homogeneous approach to attain a desired state of affairs.

On an aggregate level, public policies are often defined and classified with reference to areas, domains, fields or sectors. The focus in this study is on a specific public policy area, which may be thought of as a system consisting of a number of different components. Within a specific policy area it is possible to identify actors and institutions, actions, strategies, objectives, means and resources etc. In this study, “policy areas” will be defined broadly to also include the various institutions they are embedded in. Institutions do not here necessarily refer to formal structure, but can also be viewed as a relatively stable collection of practices and rules defining appropriate behaviour for specific groups of actors in specific situations (March and Olsen, 1989; 1995). Policy areas will therefore be embedded in structures of meaning and resources. In this way, an area of public policy can be referred to as an institutional sphere, of which support and legitimacy from individuals, social groups, and governments will also be based on normative and moral considerations, rather than purely instrumental concerns where policy outcomes is the only success criterion.

In order to shed light on the dynamics of policy change and continuity it is necessary to unveil how the various components that together compose an area of public policy are integrated.

The links between integration on the one hand, and change on the other have been recognised in the literature (March, 1999a). For instance, changes have been viewed as making a structure more coherent through filling holes in the structure (Burt, 1983), or eliminating inconsistencies (Flament, 1963). The idea here is often that structures will move from disequilibria towards equilibria.

In this study it is presumed that processes of European integration may have an impact on domestic public policies, and that this impact to a large degree will be

conditioned by how a specific policy area is integrated. Both the system as a whole, i.e. the overall policy area is assumed affected, and the individual policy components are thought to be affected by the way they are integrated in the policy area they form parts of. These presumptions imply that both internal and external factors, but above all the interplay between them are recognised as significant for policy developments.

However, the relations between public policies and their environments are not based on an assumption of *historical efficiency*, where political institutions quickly and inevitably are driven to a unique outcome dictated by environmental conditions, and where survival at all times presupposes consistency with environmental conditions. Instead, history is seen as inefficient, where the match between policy areas and their environments is portrayed as less automatic, less continuous, and less precise (March and Olsen, 1989). At the same time as public policy areas and the institutions they are embedded in adapt to environments, environments also adapt to policies and institutions (March and Olsen, 1995: 42).

The assumptions that have been outlined above, and especially the notion of “policy integration”, will be further specified with reference to March’s three primary criteria for recognising system integration: “consistency, interdependence, and structural connectedness” (1999a: 134).

1.2.1 Policy Consistency

An area of public policy can be more or less consistent. According to March, consistency has to do with whether the various actions and beliefs fit together to make sense. The question is: Are they co-ordinated or coherent from the point of view of some common objective (March, 1999a: 134)?

A high degree of consistency implies a strong internal match between the various activities, as well as between the activities and the social functions or objectives

associated with a specific policy area. A test of consistency will therefore require both an analysis of the content of the objectives and the actual practices, and of the links or potential gaps between them.

Policy inconsistency refers to situations characterised by conflicting objectives and activities, as well as to situations in which the activities are contradictory relative to one another and/or to the objectives. Although official objectives are being pursued, this does not exclude the possibility that other objectives can be pursued simultaneously. This does not need to be a sign of inconsistency. By “inconsistency” it is here referred to situations in which one or several policy components of a policy area are at variance with the official objectives, or are in direct opposition to the basic principles and core values associated with this policy area. The inconsistencies may also be of a more indirect character. In the absence of direct contradictions, there might also be situations in which certain activities may contribute to weakening the possibility of attaining the stated objectives.

Policy objectives may have a number of different functions. They can be used to guide behaviour, to motivate it, to symbolise it, to justify it or to evaluate it (Scott, 1987: 268). Within a specific policy area, it is necessary to investigate which function the official objectives actually serve. The balance between cognitive and symbolic functions associated with one particular objective varies between different time periods. Such an observation may be of great significance in studies of policy developments. In a situation in which a policy area is associated with more than one objective, it will also be of central importance to determine which functions the various objectives are serving, a circumstance which in itself is likely to change over time. This task is complicated due to the complex and often unclear nature of policy objectives, as they can be unstated, ambiguous and contradictory (Burch and Wood, 1986).

One starting point for examining the patterns of policy consistency would be to identify the officially stated objectives that are associated with a policy area, and

analyse these in relation to the various activities that are carried out in order to achieve them. The question will be whether and in what ways these activities are directed towards these objectives. While policy analysis has largely focused on the activities of governments, rather than the rhetoric of governments (Dye, 1976: 21), the argument here is that both these aspects must be considered; and most importantly, that they should be viewed in relation to each other.

The question of policy consistency deals with the coupling of the normative and behavioural structures associated with a specific policy area, but the concept of coupling can also be applied in relation to March's (1999a) second criteria for recognising system integration, interdependence. This aspect deals more explicitly with the linkages between the different policy components.

1.2.2 Policy Interdependence

The various components of a social system can be more or less causally related to other components of the same system. Interdependence deals with the linkages between them. One aspect here is whether changes in the state of one component affect the state of the others. This is both a question of pace (how fast will the effects on other components appear?) and strength (how powerful will the effects on other components be?). For instance, there may be cases in which one component must be operating in order for others to make sense. This has to do with what Thompson (1967: 54-55) refers to as sequential interdependence, i.e. some activities must be performed before others, and changes may have implications for activities that proceed thereafter. Another type of interdependence identified by Thompson has to do with the degree to which each component contributes to the overall goal. This is referred to as pooled interdependence. Thompson points out that these two levels of interdependence form a Guttman-type scale, whereby activities and processes that are sequentially interdependent also exhibit pooled

interdependence.³

The question is whether the various policy components are inter-linked, as well as whether they can be regarded as causally linked with the official objectives. Tightly integrated systems are assumed to be associated with few random elements, where random elements of a public policy area are regarded as elements that are not at all or weakly linked with other policy components or towards the objectives. March's (1999a) concept of random elements has a lot in common with Thompson's concept of pooled interdependence. This aspect also deals with the question of the individual contribution or necessity of the various elements of a system. The very comprehensiveness of the total system is questioned, and the question of proportionality between policy instruments and objectives, which has turned out to be a central principle in European law (Wallace, 1996: 61), can be viewed in this context.

1.2.3 Policy and Structural Connectedness

The question of structural connectedness is not primarily a question of structural centralisation or power concentration. Instead, structural connectedness is associated with the sociometric visions of system integration. The idea here is that policy is made within a context of a network of actors and institutions. A network structure of a system can therefore be defined as a collection of points connected by relations (March, 1999a: 135). Within a policy area, these points can be individuals, organisations or parts of organisations. In descriptions of the structural connectedness, both formal legal (normative structure) and more informal cultural (behavioural structure) aspects are important.

³ Thompson also operates with a third type of interdependence, but we will here focus on sequential and pooled interdependence as they seem particularly relevant for our purpose of studying public policy areas in terms of policy integration. The third type of interdependence is called reciprocal interdependence, which has to do with whether the various components relate to each other as both inputs and outputs (Thompson, 1967: 54-55).

Network analysis is based on the belief that a policy is framed within a context of relationships. Benson (1982) talks for instance about demand groups, support groups, administrative groups, provider groups and co-ordination groups in relation to a policy area. The configuration of networks will be different from policy to policy, and the question of integration within a specific policy area draws the attention towards the coordination between the various actors and institutions.

Questions relevant in order to describe the patterns of structural connectedness therefore include: Who are the relevant actors and institutions within a specific policy area, and to what degree and in which form are they related in terms of responsibility, authority structures and information flow?

Integration based on the criterion of structural connectedness can be characterised by a variety of statistics dealing with the number and pattern of relations between the actors and institutions (March, 1999a). However, in this dissertation the degree of structural connectedness will be based upon more qualitative observations of the inter-institutional relations, and above all the degree of coordination between the various actors and institutions within a specific policy area.

1.3 Implications of Variations in Patterns and Degrees of Policy Integration

A tightly integrated area of public policy will here be viewed as a policy area characterised by a high degree of consistency between actions, beliefs, and objectives; firm causal links between the various policy components; and high degree of coordination between the various actors and institutions that can be associated with a specific policy area.

The three criteria for recognising policy integration that have been presented above

are assumed related, but they are not necessarily strongly connected. As Olsen (2001) has emphasised, the question of integration has often been viewed against the last criterion, structural connectedness, i.e. inter-institutional relations. A test of system integration may therefore yield different results depending upon which criterion is given greatest emphasis. Each of the criteria must consequently be treated individually, as well as seen together.

Sabatier's (1988) concept of *advocate coalitions* provides an illustration of how aspects related to the policy consistency and the structural connectedness can be combined. He claims that the most useful means of aggregating actors in order to understand policy changes over time is by advocate coalitions, which he defines as "people from a variety of positions (elected and agency officials, interests group leaders, researchers) who share a particular belief system – i.e. a set of basic values, causal assumptions, and problem perceptions – and who show a non-trivial degree of co-ordinated activity over time" (1988: 139). While the first part of this definition focuses on the consistency, the second brings in the inter-institutional aspects.

The number of these coalitions or networks related to a specific policy area is assumed to be quite small. Sabatier claims that they can be one, or as many as four. They may be distinguished from one another in terms of beliefs and resources. The idea is that these coalitions will compete for influence in decision-making processes, but that a number of "policy brokers", usually elected official and high civil servants, will try to keep "the level of political conflict within acceptable limits and with reaching some "reasonable" solution to the problem" (Sabatier, 1988: 141).

Increased knowledge about the dynamics of policy change and continuity may be obtained by identifying the various advocacy coalitions that are associated with a specific area of public policy, as well as by studying the relationship between them

with respect to their objectives, basic principles and core values.⁴ This illustrates the merits of viewing the different criteria for recognising integration in relation to each other. In this perspective, the emergence of policy inconsistencies and random elements can for instance often be accounted for by reference to discord and compromises among different advocacy coalitions.

Before we go into the more detailed discussions on how different patterns and degrees of policy integration should be interpreted, some general assumptions will be outlined. First, fluctuations in the degree of policy integration are assumed to be associated with normality and routine. Social systems are dynamic, and a public policy area can be regarded as a complex social system where the degree of integration will vary. Second, a decisive element of unpredictability is attached to these fluctuations. Historical research has illustrated that systems that appear integrated and stable sometimes unpredictably collapse or drift into disintegration, and that systems that appear rather disintegrated sometimes unpredictably become integrated (March, 1999a: 135).

Given that fluctuations in policy integration are unpredictable and can be regarded as customary, what do variations in patterns and degrees of integration imply for policy developments? This question deals with the policy area as a whole, as well as with characteristics of the various policy components individually. More specifically, what difference does it make whether a domestic public policy area is loosely or tightly integrated? Further, will loosely and tightly integrated components of a policy area be subjected to different dynamics of change and continuity in the meeting with the EU? These questions will be elaborated upon by invoking the concept of *policy re-categorization*.

⁴ Sabatier's concept of "policy core beliefs" is here relevant. These are "fundamental policy positions concerning the basic strategies for achieving core values" (1998: 112).

1.3.1 Re-categorization as Consequential versus Rules-Based Action

Based upon an assumption presented in the introduction, re-categorization of domestic public policies was thought to be central in cases of substantive policy mismatches between the national and the EU level in connection with enlargement processes. The argument here is that whether an area of domestic public policy is unique due to distinctive ideological positions or fundamental economic self-interests, the knowledge and comprehension of these unique policies is assumed to be restricted in the established member states, as well as in the EU institutions. Because of this, the need for policy information and scrutiny by the EU may increase compared to situations where there at the outset exists a joint understanding that a specific area of social activity needs to be exempted from the norm of free market competition. It is in this context that unique domestic policies may be particularly exposed to re-categorization initiatives, as established beliefs, concepts, ideas and theories related to this policy area become viewed and scrutinised against the background of the predominant EU patterns of substantive and procedural standards. One possible outcome of this process may be that domestic policy components become questioned and thrown in to doubt.

Since redefinition and reframing of domestic policies and policy components to other areas or domains of public policy may evoke new causal and moral schemes for interpreting and evaluating information, these processes may in turn result in redefinitions of what is regarded as “politically necessary, possible, and desirable” (Olsen, 1997). The policy re-categorization may therefore be a source of controversy and conflict. Complexity is however added because the conflict level is assumed to vary, and some processes of re-categorization are likely to be perceived as less problematic at the domestic level than others.

Re-categorization of domestic policies and policy components initiated by the EU, and the national responses to these initiatives can be interpreted in accordance with two basic logics, either as a consequential action (*logic of expected consequences*),

or alternatively as a rule-based action driven by senses of identity (*logic of appropriateness*) (March and Olsen, 1989; 1995; 1998).

According to a *consequential* logic, action and behaviour is valued and chosen based on evaluations of expected consequences. This view rests on a rational-choice model, in which (self-)interests, utility-calculation and -maximisation form key elements. Re-categorization of domestic public policies and policy components will according to this frame be interpreted as a calculated act, undertaken in order to pursue a certain kind of policy option. From a EU point of view, national public policies and policy components that are regarded as problematic and unwanted, but for which there lacks clear legislation, may be redefined and reframed in a way that it come in under well-established jurisdiction in order to speed up and ensure domestic policy changes.

Due to the significant role of competition policy and the four economic freedoms in the EU, re-categorization as a means to push towards greater market liberalisation is here assumed to be central. These processes are well documented in the literature (Leibfried and Pierson, 1995; 1996). The EU policy agenda has been said to be quite permeable to alternative definitions of policy issues (Radaelli, 1999), and as Scharpf (1994) claims, there is hardly any field of public policy for which it will not be possible to demonstrate a plausible connection to the guarantee of free movements of goods, persons, services, and capital, and thus to the core objectives of the European Union. An example has been recognised in the development of common EU energy policy, where the Commission “exploited institutional rules to take the initiative, and to redefine the energy sector in relation to the internal market, environmental policy and foreign policy” (Andersen, 2001: 107-108).

Within the tradition of logic of *appropriateness*, the importance of interests and calculations are downplayed, and the pursuit of purpose is to a larger degree associated with identities and rules. Actors are assumed to follow rules that relate particular identities to particular situations, and the notion of “appropriateness”

refers to the match of action to a given situation (March and Olsen, 1989; 1995). Actions will be based on ethical and cognitive considerations, and they may be interpreted as expressions of what is considered exemplary, natural, or acceptable behaviour according to purposes, codes of rights and duties, practices, methods, and techniques of the constituent group and of the self (March and Olsen, 1996). Processes of policy re-categorization in the meeting with the EU can also be explicated with reference to this logic. Here, redefinition and reframing of domestic policies and policy components is interpreted to have value on its own, and not to be driven by an expectation of consequences. Policy re-categorization initiatives may for instance occur due to the emergence of alternative perceptions on how specific domestic public policies and policy components can and should be comprehended and defined. This view is based upon the assumption that within a wider EU setting marked by multiple identities, several appropriate standards may exist and norms and rules may collide (Eriksen, 1999: 230).

These two frames do not exclude each other, and policy re-categorization processes may involve elements of both. Common for both frames as they have been applied in relation to the concept of policy re-categorization is that they both recognise the importance of the predominant EU patterns of substantive and procedural standards as a reference for action and behaviour. The interaction between the actors is therefore not assumed to take place in an anarchical environment characterised by the absence of shared authority structures. The main difference between them is that these standards in the first frame are used and referred to in a strategic manner, while they according to the second frame may be interpreted based on notions of appropriateness and identity derived rules.

The argument that will be made here is that the national responses to processes of policy re-categorization initiated by the EU may vary in a systematic manner. Some re-categorization initiatives may be regarded as pure means to ensure domestic policy changes based upon differences in either ideological positions or economic interests. Collisions between health and market principles can here serve as

examples. In these cases, firm domestic resistance to re-categorization initiatives by the EU may be expected. Redefinition and reframing of domestic policies and policy components may however evoke less resistance on the domestic level when it is referred and appealed to rules and notions of appropriateness. The idea here is that there may exist arguments for policy re-categorization processes that can be considered as “objective” and thus fair to all parties.

In spite of this, the fact that there may exist different and perhaps even colliding rule-sets, norms, identities, and standards of appropriateness, may also be a source of controversy and conflict. A further specification is therefore needed. To say that action is rule-driven is just a beginning (Olsen, 1998: 31), and adding to the logic of appropriateness, there is need for a logic of justification that provides a basis for the rational assessment of norms (Eriksen, 1999: 218). In other words, it is assumed that policy re-categorization initiatives by the EU, as well as existing domestic policies in one way or another must be justified.

Although actors may have different interests or different standards of appropriateness, the actors may also discover that they share some principles. The idea here is that policy re-categorization may set off a process whereby the actors gradually will look beyond the potential collisions confronting them in their consideration and interpretation of the policy re-categorization initiatives. The fact that there may exist shared principles that can become subject for discussions among the actors illustrates how the power asymmetry that clearly exists between the EU on the one hand, and individual or groups of applicant states on the other hand, may become less relevant. An example of a shared acknowledgement might be that policies and policy components can be more or less appropriate in relation to the legitimate principles they are intended to promote and protect. The element of policy justification is here central.

The notion of policy integration is assumed to offer interesting clues in this justification process. From a EU perspective, the idea is that policy re-

categorization of loosely integrated policies and policy components may be easier to justify vis-à-vis the domestic level than re-categorization of more tightly integrated. This, because they are more likely to be interpreted as expressions of what is considered exemplary, natural, or acceptable behaviour (logic of appropriateness).

Further, confronted with policy re-categorization initiatives, existing domestic policies and policy components may be justified by demonstrating that they form parts of a larger and more extensive policy system, where the various policy components are consistent, interdependent and structurally connected. Re-categorization of tightly integrated policies and policy components is therefore assumed to evoke more domestic resistance compared with situations where more loosely integrated policies and policy components become redefined or reframed against the background of predominant EU patterns of substantive and procedural standards.

1.3.2 Policy Integration, Legitimacy and Justification

The concept of integration stems from the Latin word “in-teger”, which refers to qualities like: unhurt; uninjured; unimpaired; fresh; sound; vigorous; entire; whole; complete etc. These definitions can also be recognised in the way “policy integration” has been utilised here.

The idea presented above is that existing patterns and degrees of domestic public policy integration will affect the perception of and the responses to policy re-categorization processes in the meeting with the EU. However, why will re-categorization of tightly integrated policies and policy components be perceived as more problematic and evoke more domestic resistance than of more loosely integrated ones?

Two acknowledgements are here central. First, despite the numerous limits of

rationality in organisational and political decision making that have been uncovered over the past four decades (March and Simon, 1958), analysis and justification of action lie still to a large degree within the context of reason. “Both within the theory and within the culture we insist on the ethic of rationality” (March, 1999b: 313). Second, changes that are defined as natural, normal, or legitimate will be easier to accomplish than those that are not (March and Olsen, 1995: 45). Based on this, the following interrelated assumptions can be derived. A tightly integrated area of public policy is likely to be perceived as more legitimate and thereby easier to justify than a policy area characterised by significant inconsistencies, many random elements and a low degree of structural connectedness. Further, policy re-categorization processes in relation to the former will therefore tend to be associated with more friction and domestic resistance.

Legitimacy has often been viewed in relation to evaluations of organisational goals (Parsons, 1960; Pfeffer and Salanick, 1978), as well as the cognitive aspects of legitimisation have been stressed, and particularly the explanations that link means with ends have been at centre of attention (see Berger, Berger, and Kellner, 1973). Meyer and Scott indirectly emphasise the link between policy legitimacy and policy integration when they say that: “The legitimacy of a given organization is negatively affected by the number of different authorities sovereign over it and by the diversity or inconsistency of their accounts as how it is to function” (1983: 202). This definition indirectly touches upon the criteria for recognising integration identified by March (1999a).

Public policies acquire their legitimacy from a number of different environmental support groups, but also from individuals and organisations within the specific policy area in question. At the same time as legitimacy is obtained, these policies can also be said to represent these groups. The relations here are assumed to be dynamic. The degree of legitimacy will vary, and gaps between a specific policy area and support are not necessarily a sign of weakened legitimacy. However, growing inconsistencies between actions, beliefs and objectives may generate

conflict, which in turn can lead to withdrawal of support. The links between the various policy components may be questioned, and coordination may be hampered.

Although tightly integrated policy areas do not necessarily have to be more stable than more loosely integrated ones, it is assumed that re-categorization of policy components initiated by the EU are more prone to be resisted when they form parts of a tightly integrated policy area. A similar argument has been made by Hall (1993). Based on his study of economic policy making in Britain, he suggests that the autonomy of the state in a given field of policy may depend on whether there is a *coherent* policy paradigm present there. “Policymakers are likely to be in a stronger position to resist pressure from societal interests when they are armed with a coherent policy paradigm”. Conversely, “when such a paradigm is absent or disintegrating, policymakers may be much more vulnerable to outside pressure” (Hall, 1993: 290-291).

By shifting attention to the potential outcomes of these re-categorization processes, the relationship between policy integration and legitimacy can be further illuminated. While re-categorization of tightly integrated policies and policy components is associated with processes of policy disintegration, re-categorization of more loosely integrated policies and policy components may contribute to tightening the integration between the various policy components and of the policy area as such, and may thereby instead become associated with a process of policy integration or reintegration. In this way, long-established incoherencies and inconsistencies may be reduced due to the fact that loosely integrated policy components become disengaged or detached from their established context, which in turn may strengthen the policy legitimacy. Based on this way of reasoning, re-categorization of loosely integrated policies and policy components in the meeting with the EU may therefore be regarded as appropriate, and perhaps even favourable policy adaptations by policy and decision makers at the national level, as they can be viewed as having integrating or reintegrating effects on the overall policy area.

Summing up, both the justification and legitimacy of domestic public policies are assumed to be correlated with the notion of policy integration. The question of how Nordic alcohol control policies became affected in the meeting with the EU will be viewed against this theoretical background.

The discussion so far in this dissertation has brought into consideration a few carefully selected theoretical aspects that were assumed influential in contributing to an increased understanding of the dynamics of domestic public policy change and continuity in the meeting with the EU. Deliberatively, the theoretical perspective chosen was cultivated and put forward to the utmost, while other aspects had to take the back seat. The notion of *policy integration* was in this respect thought significant given the ambition to uncover what makes some policies and policy components more robust and stable than others, while the notion of *policy re-categorization* was discussed in relation to the processes through which changes actually take place.

Despite this focus, the theoretical approach will also give room for other and more under communicated aspects in the subsequent analysis of the empirical material. For instance, the question of how Nordic alcohol control policies became affected in the meeting with the EU may also be viewed against more general attitudes towards the European integration process in Finland, Norway and Sweden, as well as potential attitudinal changes in relation to this specific policy area in the three countries. Similar to the patterns and degrees of policy integration, Nordic variations may also here be relevant. However, these aspects are not assumed sufficient in order to increase understanding about the general dynamics of public policy change and continuity, although they may contribute to complementing and perhaps challenging the picture that emerges based on the theoretical perspective presented in this chapter.

1.4. Methodology

1.4.1 An Embedded Multiple Case Study

The notion of “Nordic alcohol control policies” has generally been applied as a collective term in order to accentuate the similarities between Finland, Norway, and Sweden in this specific area of public policy. Both the aim of reducing alcohol related harm in society, as well as the strategies that have been employed in order to achieve this aim are extensively shared among these three countries. However, the resemblances between Finland, Norway, and Sweden provide only one aspect of the explanation of why this notion has emerged. The flip side of the coin is that the alcohol control policies of these countries can be regarded as distinctively different from that of other countries in the EU, or even unique in a comparative perspective. This acknowledgement is central in this dissertation, and the research questions that have been outlined are to a large degree centred on the dynamics of these policy matches and mismatches. This perception will also have to be taken into account and be exploited in the research-method design.

The main research task is to develop knowledge about how domestic public policy areas become affected in the meeting with the EU. Confronted with an explanatory “how” question of this character, a *case study* may seem like an appropriate research strategy (Yin, 1981; 1989).

The initial case here is Nordic alcohol control policies, which also constitute the basic unit of analysis. The independent variable, alcohol control policy integration, is assumed to affect the domestic responses and thereby also the outcomes of the *re-categorization* initiatives by the EU. Patterns of alcohol control policy change (disintegration versus reintegration) and continuity is therefore the dependent variable in this study.

A study of Nordic alcohol control policies calls for an embedded multiple case

study (Yin, 1989: 46–59).⁵ The notion of “Nordic alcohol control policies” as a uniform and homogeneous entity will namely be challenged along two dimensions.

First, the area of alcohol control policy is thought of as a system consisting of a number of different components, which are likely to be affected differently in the meeting with the EU. A purely holistic view on Nordic alcohol control policy is therefore not regarded as satisfactory for our purposes. Attention in this case study will therefore be on the more or less firmly embedded policy subunits that together constitute the area of alcohol control policy.

Second, an attempt to identify differences between the alcohol control policy systems in Finland, Norway and Sweden will also be made. These differences will in turn be viewed in relation to the impacts of the European integration process. Divergent patterns and degrees of policy integration are here of principal interest. Due to this, the number of cases increases from one (Nordic alcohol control policy) to three (Finnish, Norwegian and Swedish alcohol control policies).

Although it has been stressed that the various subunits of the health and social policy oriented alcohol control policies of Finland, Norway, and Sweden must be subjected to investigation, it will be of great importance to look at these patterns in relation to the larger unit of analysis, the overall policy area. This implies that attention will be given to how the overall public policy area becomes affected in the meeting with the EU, as well as to how the various policy components or subunits become affected individually. By alternating between these two perspectives it will be possible to achieve a more complete picture of the policy dynamics.

⁵ Multiple case studies are often associated with a separate “methodology” compared with single case studies. In political science, multiple case studies are often referred to as the *comparative method* (Lijphart, 1971). For the purposes of this essay, no distinction will be made between multiple case studies and comparative studies.

1.4.2 Pattern-matching: A Policy Re-categorization Model

The overriding goal in the study of the Europeanization of Nordic alcohol control policies is to develop general knowledge about how domestic public policy areas become affected in the meeting with the EU. Accordingly, the aim is to generalise about processes of change and continuity beyond the immediate comparative case study in focus.

Compared and contrasted with experimental and statistical methods, case studies have been said to provide little basis for scientific generalisations. This critique has especially been invoked in relation to single-case studies (see for instance Lijphart, 1971: 691).⁶ Studies of one or a few cases have often been associated with the problem of having more rival explanations to assess than cases to observe, i.e., the problem of “many variables and small N”. Consequently, case study methods have been assumed appropriate only when the aim of the study has been exploratory. According to Yin (1989), this hierarchical view is incorrect, as case studies can be exploratory, descriptive and explanatory.

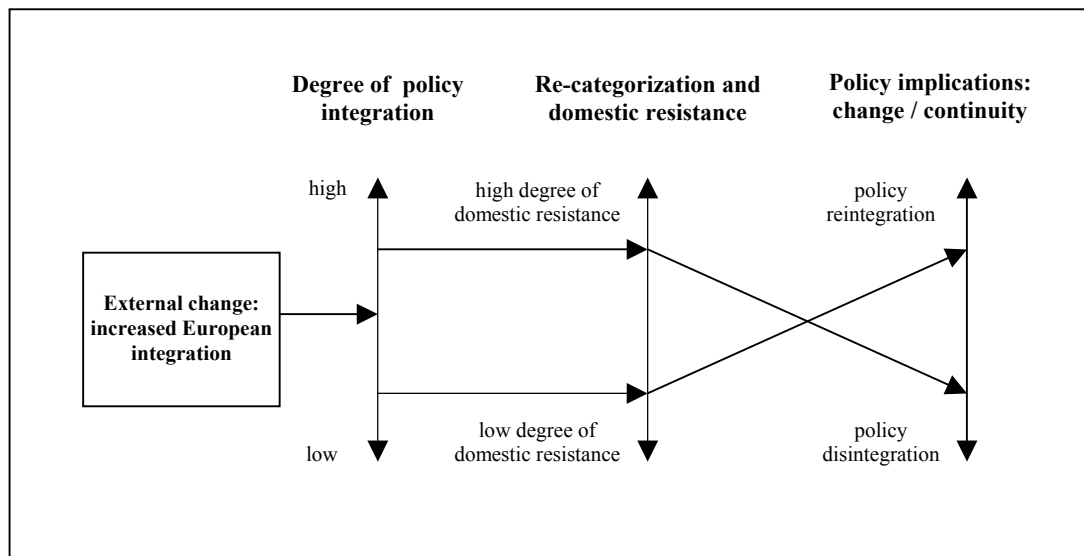
In statistical generalisations, inferences are made about a population or a universe on the basis of empirical data collected from a sample. Case studies rely on a different kind of logic, namely that pertaining to analytical or theoretical generalisations, in which “previously developed theory is used as a template with which to compare the empirical results of the case study” (Yin, 1989: 38). Based on this logic, also case studies can contribute to establish general empirical relationships among two or more variables, while controlling for other variables. Given these ambitions, *pattern-matching* described by Campbell (1975), and further developed and specified by Yin (1989), emerges as a desirable strategy. The logic behind pattern-matching in case study research involves the comparison of an empirically based pattern with one or several predicted patterns (Yin, 1989: 109).

⁶ According to Lijphart “A single case can constitute neither the basis for a valid generalization nor the ground for disproving an established generalization” (1971: 691).

The tentative assumptions and predicted patterns in the study of the Europeanization of Nordic alcohol control policies have been outlined above. These predicted patterns were thoroughly discussed with reference to relevant theory. Both previous literature and theory on policy changes and on the Europeanization of domestic public policies were here used as a background for this discussion. This theoretical framework indicates under which conditions a given result or empirical pattern is likely to occur. The theoretical assumptions that were presented were thought to illuminate the three cases in the same manner. In this respect, we touch upon what Skocpol and Somers' (1980) refer to as *parallel demonstration* of theory.

Figure 1.1 summarises some aspects of the predicted patterns outlined in the theoretical discussion.

Figure 1.1 A Policy Re-categorization Model.



When the predicted theoretical patterns have been presented, the next task according to the pattern-matching strategy will be to analyse the empirical evidence. The empirical patterns for each case (the Finnish, Norwegian, and Swedish) will be compared with the predicted patterns individually (within each case). In addition, the patterns will also be compared across the cases, following the replication mode for multiple case studies. If each of the three cases turn out as predicted, this will provide compelling support for the initial set of assumptions, and replication can be said to have taken place. In this respect, this strategy can be compared with the experimental method. If the cases are contradictory, the initial assumptions and propositions must be revised and retested with another set of cases.

With regard to internal validity, the question is whether the relationship between the independent and dependent variables can be said to be of a causal character, rather than a spurious result (Yin, 1989). As Andersen (1997: 137–14) points out, there is a general scepticism towards causal explanations in many branches of the social sciences. He argues that this scepticism to some degree is justified. However, the intention behind applying the pattern-matching strategy in this study is primarily not to explain *why*, but to illustrate *how* the alcohol control policies of Finland, Norway and Sweden became affected in the meeting with the EU. This means that focus mainly is given to the processes rather than the outcomes. The pattern-matching strategy can in this respect contribute to strengthening the internal validity. Strong causal inferences about this process can, according to Yin (1989: 109), be made if the initially predicted patterns have been found, and, at the same time, alternative patterns have not been found.

Since the focus here has been on one specific policy area in three different countries the question is whether the hypotheses that have been put forward in the theoretical arguments are applicable outside the area of alcohol control policy in Finland, Norway, and Sweden. This is a question of external validity, i.e.

establishing a domain for which a study's findings can be generalised (Yin, 1989: 41). The quality of the theoretical framework is here crucial, and it is this framework that can become a vehicle for generalising to new cases. In order to achieve valid generalisations, the cases have been carefully selected, and the assumption is that the cases will produce contrary results, but for predictable reasons.

Based on tentative analyses, the alcohol control policy integration has been found to vary between the three countries. We assume that this in turn sets off different processes in the meeting with the EU. This logic can be referred to as theoretical replication (Yin, 1989: 53). In this respect, the design also resembles Lijphart's concept of "comparable cases", i.e., "cases that are similar in a large number of important characteristics, but dissimilar with regard to the variables between which a relationship is hypothesized" (Lijphart, 1975: 158). Such cases are assumed to offer particularly good opportunities for the application of the comparative method because they allow the establishment of relationships among a few variables while many others are controlled for.

Despite their striking similarities, the comparison of the Finnish, Norwegian and Swedish alcohol control policy systems prior to the meeting with the EU will be analysed with a view to national differences. The intention is to establish a framework for interpreting and increasing understanding of how a parallel change process can be played out in different ways in different contexts (Skocpol and Somers, 1980).

As Sartori (1984) emphasises in his book *Social Science Concepts*, there is always a danger that the application of a concept to a broader range of cases can lead to *conceptual stretching*, as some of the meanings associated with a particular concept fail to fit new cases. He argues further that concepts that can apply to a broad range of cases often will be so general that they do not bring into focus the similarities and contrasts among cases. Sartori therefore suggests that concepts should be

extended to other cases only with great caution.

The risk of conceptual stretching is relevant, but this should not prevent researchers from using established concepts when the purpose is to generalise. The major concern is that the application of concepts to various data sets should be discussed thoroughly. In fact, this element should be viewed as an integral part of case study analyses when the ambition is to strive after generalisations beyond the immediate case study.

1.4.3 Empirical Sources

A number of different sources of evidence are associated with the type of study described above, and the task will be to ascertain whether the evidence from these sources converges on a similar set of facts (Jick, 1979).

In this study, the main sources include:

- Documentary information
- Face-to-face interviews with key informants

Written Documents

Documentary information is likely to be relevant to every case study topic (Yin, 1989), and the study of the Europeanization of the Nordic alcohol control policies draws on a wide variety of written documentation.

Both the EEA and the EU membership process were thoroughly discussed and treated in a number of governmental and parliamentary reports in each of the three Nordic countries prior to the commencement of EEA and accession negotiations. Alcohol control policy issues were well covered in these official documents, and these have therefore been systematically collected and analysed. These documents

give valuable information about how this policy area was perceived by Nordic political authorities prior to the meeting with the EU.

Central aspects of Nordic alcohol control policies also became subject for attention in EU and EFTA documents prior to the commencement of negotiations. For instance, on request from the Council of Ministers, the European Commission submitted an opinion about Finland, Norway and Sweden following their membership applications. In these opinions, the Commission focused on “those areas where the impact of accession will be largest and which are likely to form the main subjects for discussion in the context of accession negotiations” (Commission, 1992b: 6). Both the Nordic excises on alcohol and the state alcohol monopoly systems were discussed in these documents.

The outcomes of the negotiations with relevance to alcohol and alcohol control were also presented and interpreted in official documents in Finland, Norway and Sweden, and these will be viewed in relation to the pre-negotiation documents.

The exchanges of letters that went on between the national governments in the Nordic countries and relevant EU and EFTA institutions both prior to and after the agreements entered into force have been an especially important empirical source for this study. Although these processes are relevant as conflict resolution instruments, they can also be viewed from a purely informational viewpoint, where information is given concerning how a specific issue is perceived, both from a national and a EU-level. From a policy re-categorization perspective, these letters were therefore of major importance. An exchange of letters may take place over an extensive period of time, and such documents can therefore be valuable with regard to identifying changes in actors’ preferences or understandings of a particular issue.

It should be mentioned specifically that archives from the various EU and EFTA institutions have not been used in this study. However, access to letters from EU and EFTA institutions have been obtained through national archives and documents

in the Nordic countries.

Due to the centrality of alcohol and alcohol control in the Nordic societies, this policy area was frequently subject for attention in the various mass media during the whole process. Together with a wide variety of secondary literature, news-clippings and other articles therefore constitutes the other main category of written documentation that this study relies upon. A vast number of newspapers in Finland, Norway and Sweden have been used as sources of information. In addition, the National Alcohol Board in Sweden has since 1998 collated and archived daily news clippings related to alcohol control policy issues from Swedish newspapers. The subscription to this service has also been valuable. A similar list serve has also been set up in Norway by the Norwegian Temperance Alliance, and also this has been used on a regular basis. Although not only restricted to alcohol control policy issues, the daily news service presented by the Department for Press and Culture at the Finnish Ministry of Foreign Affairs has also proved valuable. On the European level, an electronic version of the archives of the *European Voice* has been subscribed to. In the period from 1995 to 2001, about 150 articles in this Brussels based newspaper contained the word “alcohol”. Many of them dealt directly with central aspects of Nordic alcohol control policies.

More specialised journals within the alcohol field have also been used as sources of information. From a Nordic perspective, the journal *Nordisk Alkohol- & Narkotikatidskrift (NAT)* has been very central in this work. NAT consists of scientific articles, as well as articles of a more informative nature, and interviews with key actors associated with the area of Nordic alcohol control policies.

Informants

In order to increase the understanding of the responses from Finland, Norway, and Sweden in this process, qualitative semi-structured interviews were conducted with a number of key informants in each of the three countries. The purpose of these

interviews was to obtain new information, as well as to clarify and augment the picture that emerged through the study of the written sources. The questions in these interviews dealt with the whole area of alcohol control policy as such, but the interviews were to a large extent centred on two distinct issues, the state alcohol monopoly systems and the restrictions on travellers' personal imports of alcoholic beverages. Most interviews contained questions on both issues, since many of the informants were involved, and possessed knowledge about both processes.

Interviews were concentrated to the administrative level, i.e. civil servants positioned fairly high in the state bureaucracy dealing specifically with alcohol control policy related questions and issues. Representatives from the Ministry of Health and Social Affairs in each of the Nordic countries were therefore interviewed. Most of these informants were working with these issues at the national ministries at the time when the EEA negotiations commenced in 1990. Due to the Swedish discussions with the Commission over the restrictions on travellers' imports in 2000, two representatives from the Swedish Ministry of Finance were also interviewed.

A number of persons from the state alcohol monopoly systems and various temperance interests in the Nordic countries have also been used as informants. These informants have for the most parts been contacted in order to obtain specific information about issues in relation to their institutions or about more general alcohol control policy issues.

Although the focus in this study has been on the domestic responses, interviews have also been conducted with representatives from relevant EFTA and EU institutions in order to supplement the information obtained through the interviews with the national actors. Both the EFTA Surveillance Authority (ESA) and the European Commission were represented in these interviews.

Altogether, fourteen semi-structured interviews were conducted. The interviews

lasted on average for one hour, and in order to create an informal atmosphere, personal notes were preferred over the use of a tape recorder. The informants have been made anonymous in the text upon request from some of them. Due to this, some interesting information will not reach the readers. Conversely, the anonymity may have helped to generate information that otherwise would not have become available. In addition to these interviews, information has also been obtained in less formalised contexts. For instance, complementary information has been obtained through personal conversations and short telephone calls with key informants. The complete list of informants, consisting of nineteen names, can be found in Appendix 3.

1.4.4 Reflections on the Empirical Sources

Yin (1989) claims that an exemplary case study must display sufficient evidence. The question is whether the empirical evidence this study relies upon is sufficient in order to address the research questions presented above.

Concerning the written documents, a great variety of documents has been collected and analysed. However, since this is a multiple case study, one relevant question is whether the three cases (the Finnish, the Norwegian, and the Swedish) are biased by undue attention. The question is for example whether language problems have made Finnish documents less accessible than Norwegian and Swedish? This question is relevant, but language problems did not seem to create biases in attention for at least two reasons. First, there are two official languages in Finland, and many official documents were therefore available in Swedish as well as in Finnish. In spite of this, during the work with this dissertation, it has occurred on some instances that relevant documents only were available in Finnish. This has complicated the analysis, but in these cases translations have been obtained through Finnish-speaking research colleagues. Second, when studying the impacts of European integration on domestic policies, one discovers that documents very often are translated into English. For instance, English versions of opinions by the

national governments on pending cases that have been referred to the ECJ or the EFTA Court, as well as the actual judgements are generally available.

The fact that key letters from EU and EFTA institutions to the national governments in the Nordic countries have been obtained through national archives and documents rather than through EU and EFTA archives has been mentioned above. This also implies that internal EU and EFTA documents have not been analysed in this case study. However, this is not regarded as a source of bias in the empirical evidence.

Concerning the informants, qualitative interviews have been conducted with key informants in each of the three Nordic countries, as well as with representatives from the EFTA and EU institutions. The number of informants is not very high, but it is doubtful whether more interviews and informants would have contributed to more compelling empirical evidence. In this dissertation focus has been given to the administrative level, and it can be argued that it would have been useful to also conduct interviews with persons representing the political elites in Finland, Norway and Sweden. After all, this study deals with issues that became highly politicised in the three countries. Nevertheless, the political level has been excluded for two reasons. First, the interests and understandings among the political elites are generally well covered in various written documents, for instance in parliamentary questions or in the various news media. Second, this study covers a fairly long time span, and a large number of political actors from various national governments have been involved in this process for shorter and longer periods in each of the Nordic countries. The focus on the administrative level was therefore partly based upon the fact that the civil servants that were interviewed had a long and continuous experience dealing with these issues.

It should be mentioned that the list of informants could be extended substantially if the large number of alcohol researchers in the Nordic countries, whom I have co-operated with during the past 5 years, had been added to this list. Interests in the

impacts of the European integration process on Nordic alcohol control policies have been substantial among researchers in Finland, Norway and Sweden during the last decade. Several of these researchers have been directly involved in writing reports on behalf of their national governments in this process. These persons have not been classified under the list of informants because their work often is published through written documents, and they have therefore been referred to otherwise. However, it has been of great value to discuss this process, as well as to challenge my understandings with other researchers.

Summing up, this case study relies on multiple sources of evidence. The written documentation together with the information obtained through interviews with key informants are regarded as a sufficient basis for addressing the research questions presented above.

1.5 Dissertation Structure

Increased participation in the European integration process can be regarded as a comprehensive environmental change, of which national institutions and policies are not likely to be unaffected. In order to say something about these impacts, a thorough description of the situation before the integration process picked up speed is necessary. Focus in this dissertation will be on a specific public policy area (alcohol control policy) in three different countries (Finland, Norway and Sweden). These policies were regarded as unique, which was assumed to put extra strain on these policies in the meeting with the EU level.

Central questions that will be addressed in Chapter 2 include; to what degree did the health and social policy oriented alcohol control policies in Finland, Norway, and Sweden actually constitute a loosely or tightly integrated policy area? Were all policy components equally integrated? And, what about national variations

between these three countries concerning these questions? In Chapter 3, the role of alcohol and alcohol control in the EU will be outlined, thereby providing a basis for comparison with the Nordic countries. In Chapter 4, attention will be paid to the role Nordic alcohol control policies played in the negotiations on both EEA and EU membership. It will here be analysed how these policies were presented by Finland, Norway, and Sweden. Moreover, the attention these policies became subject to from the EU level will also be elaborated upon. These findings will then be further analysed in Chapter 5 by studying the arguments that were used by the actors in this process in order to justify their actions and priorities. The outcome of this process will be discussed in Chapter 6, while the final conclusions of this study will be presented in Chapter 7.

The overriding theme that has been outlined above touches either directly or indirectly on some of the big puzzles that are currently occupying students of European integration. First of all, the research focus in this study may provide us with knowledge about the question of whether trends of homogenisation and convergence are becoming more dominant, and gradually reducing the diversity in European politics. Unique policy areas can in this connection be considered as particularly good research cases, because they can be assumed to be products of unique national cultures and historical experiences, and thus parts of national identities. Second, the meeting between the national and the EU level opens up for a study of the mechanisms that are associated with policy change in general. In this context, both the negotiations and the preparations for EU membership or EEA partnership (pre-accession phase), but also the day-to-day politics as a EU member or an EEA partner (consolidation phase) must be taken into account. Processes of re-categorization of established policies and policy components in the meeting with the EU level are here assumed to be of importance. The question is whether these processes describe more general dynamics in the meeting between the national and EU level. These big puzzles will also be addressed in the concluding chapter of this dissertation.

CHAPTER 2

NORDIC ALCOHOL CONTROL POLICIES AS MORE OR LESS INTEGRATED SYSTEMS

2.1. Background

The pith and substance of the restrictive health and social policy oriented alcohol control policies in the Nordic countries is that alcoholic beverages are not like any other commodity, and must therefore be subjected to a distinct set of commercial principles (Ugland, 1997: 8). Based on a common set of values, a wide range of preventive strategies have been adopted in attempts to achieve the main objective of reducing the prevalence of both acute and chronic harm resulting from alcohol consumption. Although strategies have shifted and varied in content throughout history, alcohol control policy has in Finland (*alkoholipolitiikka*), Norway (*alkoholpolitikk*), and Sweden (*alkoholpolitik*) been regarded as a wide-ranging, and relatively independent area of public policy since the early twentieth century (see Tigerstedt, 2001).

Viewed as one element in the construction of the Nordic welfare states, the restrictive alcohol control policies were intended to contribute to promoting the good modern life for their citizens (Sulkunen, Sutton, Tigerstedt and Warpenius et al., 2000). In order to understand why alcohol became a subject of public control, one must keep in mind that in the Nordic countries the social function of alcohol has been and still is mainly as a drug for intoxication, with spirits representing the dominant alcoholic beverages since the beginning of the 19th century. The very high consumption levels in Finland, Norway, and Sweden in the 1830s, between two and three times the present level, are also important in this connection (Holder et al., 1998). This was a period characterised by severe alcohol related problems.

As a consequence of these specific social characteristics, cultural traditions and historical experiences, a distinctive alcohol control policy model emerged. This model is rooted in the nation-building projects, and it is associated with strong social forces such as the labour movement, various Low Church groups and a strong and independent temperance movement. Support for restrictive alcohol control has also been associated with the woman's and the athletic movement, and has been linked to rural traditions and values.

As the Swedish historian Lennart Johansson expresses it: "The temperance question played an important role in the social and cultural discourse at the turn-of-the-century, because it could appeal to so many people for so many different reasons" (Johansson, 2000: 38). Nordic alcohol control policies must therefore be viewed in a wider perspective, where "alcohol has been understood as a drug, and it has symbolized moral degradation, poverty and social disorder" (Sulkunen, Sutton, Tigerstedt and Warpenius et al., 2000: 243). Temperance has on the other hand been considered a key to a better life, a sign of high social morality and general welfare in the Nordic countries (Mäkelä and Tigerstedt, 1993: 193).

Although historical aspects will be drawn into the analysis throughout this dissertation, emphasis will be given to the post war period leading up to the time when the European integration process received increased attention in the Nordic countries at the end of the 1980s.⁷ The last decade of this period will be subject for particular scrutiny. This approach will enable us to provide a more solid base for our study of how Nordic alcohol control policies became affected in the meeting with the EU.

Despite national variations, the alcohol control policies of Finland, Norway, and Sweden have during the post war period been based on a wide range of policy

⁷ A central event in this respect is a speech given by then President of the EC Commission Jacques Delors to the European Parliament in January 1989, whereby he took up the initiatives for a more extensive co-operation between the EC and the EFTA.

instruments. By the 1980s, the most important were: state monopoly control over import, export, production, wholesale and retail sale of alcoholic beverages; high levels of taxation; complete or partial bans on advertising; age-limits on purchasing and selling; restrictions on selling hours; strict rules governing licensing permits for restaurants; and general health information about the harmful effects of alcoholic beverages. The relatively low per capita alcohol consumption in Finland, Norway, and Sweden compared with other European countries must be viewed in relation to this network of policy instruments (Holder et al., 1998).

The focus in this part of the dissertation will be on analysing the patterns and degrees of integration of what has been referred to as Nordic alcohol control policies during the 1980s. Notions of policy consistency, interdependence and structural connectedness will be central in these analyses, which implies that the view of “alcohol control policy” as something uniform and homogenous will be challenged. The main hypothesis in this dissertation is that patterns and degrees of policy integration can offer an important contribution in accounting for variations in the dynamics of public policy change and continuity. Moreover, the notion of “Nordic” alcohol control policies will also be challenged, as attempts are made to identify cross-national variations in policy integration.

In order to examine how Nordic alcohol control policies became affected in the meeting with the EU we need to take a closer look at the near history prior to the time when the question of EEA and EU membership emerged at the top of the political agenda in Finland, Norway, and Sweden at the end of the 1980s and the beginning of the 1990s. Attempts will be made to answer the following questions: To what degree could alcohol control policy be regarded as a loosely or tightly integrated policy area in each of the three countries prior to the meeting with the EU? Were all policy components equally integrated? And, what about national variations between these three countries concerning these questions?

2.2 Nordic Alcohol Control Policies and Policy Consistency

By the 1980s, the overriding objective behind Nordic alcohol control policies was to reduce the prevalence of acute and chronic alcohol related harm in society by restricting total consumption. This objective was spelled out in the Finnish, Norwegian and Swedish Alcohol Acts.⁸ The question here is whether the various policy components that were associated with this particular area of public policy were co-ordinated or coherent from the point of view of this objective? Or alternatively, was it possible to identify inconsistencies among policy components concerning this objective? In this perspective, inconsistency will be the case if some policy components directly promote and contribute to increased alcohol sales and consumption in society. In the absence of direct contradictions, inconsistencies will also be present in situations in which certain activities may contribute to weakening the possibility of attaining the objective of reducing the prevalence of acute and chronic alcohol related harm. The aim will therefore be to also identify activities that may be in opposition to the basic principles and core values associated with this policy area in the three Nordic countries.

Before we go into this discussion, it should be emphasised that in the Nordic countries as elsewhere, the interests of the state with respect to alcoholic beverages are not only related to health and social policy considerations. The pursuit of different types of objectives simultaneously should not necessarily be taken as a sign of policy inconsistency. Mäkelä and Viikari (1977) emphasise in particular the fiscal and economic development interests. Alcoholic beverages constitute a vital source of taxes and other revenue to finance governmental activity, and alcoholic beverage production and trade further constitute a source of employment and contribution to the gross national product. While the health and social policy interests are generally adversely affected by increased drinking in the society, the

⁸ By 1990, the following Alcohol Acts were effective in the Nordic countries: Finland: Alcohol Act of 1968; Norway: Alcohol Act of 1989; and Sweden: Alcohol Acts of 1977.

fiscal and economic development interests of states will often benefit from increased drinking (Room, 1999). Nordic alcohol control policies must be viewed in relation to this duality, which is assumed to be dynamic in character. Attempts will be made to identify shifts in the balance between the various state interests in relation to alcoholic beverages in this chapter. The question here is whether the pursuit of other interests can be said to contribute to undermining the health and social policy justifications of the restrictive alcohol control policies in Finland, Norway, and Sweden? Furthermore, the extent to which some policy components seem more linked towards commercial and economic interests than others will be analysed.

In order to elaborate on these puzzles it seems natural to start out with an initial focus on the state alcohol monopoly systems. This focus is due to a number of reasons. First, together with high taxes and prices, the state alcohol monopoly system constitutes one of the two main pillars of Nordic alcohol control policies. While high taxes and prices are intended to reduce economic availability and thereby also the demand for alcoholic beverages in society, the monopolies' main function is to reduce the physical availability, as well as to reduce or eliminate the private profit motives in trade with alcoholic beverages. Second, despite national differences the state alcohol monopoly systems have played a crucial role in the development of the whole area of alcohol control policy in Finland, Norway, and Sweden. In fact, they have to a varying degree been regarded as "entrepreneurs" in the alcohol control policy field in these countries (Holder et al., 1998: 182). Third, the distinctiveness of the Nordic alcohol control policy model viewed from a European perspective is to a great extent due to the uniqueness of the state alcohol monopoly systems. No EU member states are operating with state alcohol monopoly control in the Nordic sense. Based on these factors, the general area of alcohol control policy and the state alcohol monopoly systems seem to be bound together by a common destiny, and a study of the monopoly systems can be used as a window into this policy area. However, other policy components will also be incorporated into this analysis, as the main idea is to apply a holistic perspective,

while also elaborating on the overall integration of the various subunits constituting Nordic alcohol control policies.

2.2.1 The State Alcohol Monopoly Systems

Despite national variations, the state alcohol monopolies on import, export, wholesale, and production have, together with the retail monopolies on the sale of strong beer, wine, and spirits, constituted a comprehensive instrument of health and social policy in the Nordic countries since the first half of the 20th century.⁹

The emergence of the state alcohol monopoly systems must be viewed in relation to three factors typical for the Nordic countries. A strong belief in state intervention, integration of organised interests into policy-making, and a tradition of consensus seeking (Olsen, 1983). Especially this last factor seems to be of relevance here. The establishment of the state alcohol monopoly systems can be regarded as a historic compromise between total prohibition on the one hand, and free circulation of alcoholic beverages based on the logic of “laissez-faire” on the other. Broadly speaking, the laissez-faire attitudes were most dominant in the beginning of the 19th century, while the attitudes towards more restrictive control with alcoholic beverages grew gradually stronger, and culminated in prohibition from 1919 both in Finland and Norway. In Sweden, private distillation was banned in 1855, but prohibition was not introduced as in Finland and Norway. Instead, a national rationing system (the Bratt system) that restricted the amount a person could purchase, and a state alcohol monopoly company was introduced in Sweden in 1917.¹⁰ The prohibition was repealed in Finland (1932) and Norway (1926) through nation-wide consultative referendums, and since then the alcohol monopoly systems in the three Nordic countries have constituted the cornerstones of their health and social policy oriented alcohol control policies.

⁹ Sweden (The Bratt System: 1919), Norway (1922) and Finland (1932).

¹⁰ The Swedish Bratt system that was based on selective individual control was repealed in 1955.

International trade relations and purely commercial considerations played an important role in connection with the repeal of the prohibition, and the establishment of the monopoly systems. For instance, the Southern European countries threatened to refuse to import Finnish timber and Norwegian fish if these countries did not repeal their ban on import of alcoholic beverages (Holder et al., 1998: 167). In general, Nordic alcohol control policies have been shaped by a number of tensions and collisions caused by the duality between commercial and economic interests with respect to alcoholic beverages on the one hand, and health and social policy interests on the other (Bruun, 1973). As will be illustrated, many of these tensions and collisions are associated with the activity of the state alcohol monopoly systems in the three countries.

Focusing on the 1980s, the Nordic state alcohol monopoly systems were organised differently. In Finland, the import, export, wholesale, production and retail sale functions were conducted by one company, *OY Alko AB* (hereafter referred to as Alko). Alko was established in 1932, and was organised as a limited company where the shares were owned by the Finnish state. The Finnish model is essentially similar to the way *A/S Vinmonopolet* (hereafter referred to as Vinmonopolet) in Norway has been organised, where one company administers all monopoly functions. Vinmonopolet was established in 1922. The Swedish system consisted of two different state monopoly companies, *Systembolaget AB* and *Vin & Sprit AB* (hereafter referred to as Systembolaget and Vin & Sprit respectively). Systembolaget was the retail monopoly, while the import, export, wholesale and production functions were administered by Vin & Sprit. Both companies were wholly owned by the state, and organised as limited companies. Vin & Sprit was established in 1917, while Systembolaget was established in 1955 based upon a merger of all local off-premise alcohol monopolies in Sweden.

To Sell and Restrict Sale

The duality between commercial and economic interests on the one hand, and health and social policy considerations on the other is clearly evident by studying the core functions of the retail sales monopolies. The main business task is to meet the demand for alcoholic beverages in society, but at the same time, the monopolies are intended to contribute to restricting sales in order to curb the consumption of these lawful commodities.

During the 1970s and 1980s, it appears that the business profile became gradually strengthened. The task of meeting the demand for alcoholic beverages in a more effective and service minded way became an area of priority in each of the three countries (Reuter and Tigerstedt, 1992; Holder et al., 1998). During these two decades, the number of retail monopolies gradually increased, which also increased the availability of alcoholic beverages for the general public. Improved customer service in the individual retail monopoly outlets also materialised in a number of different ways. The product range increased, and the goods were to a larger degree put on display in the outlets. Historically, the physical appearance of the retail outlets has resembled “dull, office-like settings”, but during the last decades this policy of dullness and introversion has undergone a remarkable change towards a policy of attractiveness and openness (Tigerstedt and Sutton, 2000: 185). In addition, experimentation with self-service monopoly outlets, as opposed to over the counter sales, was introduced. Alcoholic beverages also became available by post services in areas that did not have any monopoly outlets.

The three countries have often followed their own timetables concerning these developments. For instance, the first self-service outlet was introduced in Finland in 1962, and from the mid 1980s, self-service outlets had become an integral part of the Finnish monopoly’s service minded image. Sweden followed suit in 1991 with experimentation with self-service on all beverages, and Norway not before 1999 (Tigerstedt and Sutton, 2000).

Despite this trend of increased service orientation, the retail monopolies still maintained a strong health and social policy oriented profile. In fact, the new emphasis on increased service can be viewed as a survival strategy, with an overriding aim to strengthen the legitimacy of the state monopoly for the future. The launching of these new services was for instance carefully supervised by scientific research with potential increases in alcohol related harm in mind (Koski and Österberg, 1993). The link between alcohol control measures and research are strong in the Nordic countries, and the notions of “alcohol research” and “alcohol researchers” are well established in the Finnish, Norwegian and Swedish languages. For instance when Vinmonopolet in Norway experimented with Saturday closing in 1984, the health and social consequences were studied by alcohol researchers at the National Institute for Alcohol and Drug Research (SIFA) based on a request from the Norwegian Ministry of Health and Social Affairs (Nordlund, 1985). Also the effects of openings of new monopoly outlets have been carefully studied (see for instance Hauge and Amundsen, 1994).

During this period, some elements became even more restrictive. For instance, in Sweden Saturday closing of the retail monopoly outlets was introduced in 1982. This step was carefully evaluated before it was introduced as a permanent arrangement (Olsson and Wickström, 1982). A trial Saturday closing for 8 months of 10 retail monopoly outlets in Finland was also introduced, and evaluated (Säilä, 1978), and in 1981, the Finnish political authorities decided that the retail monopoly outlets should be closed on Saturdays during the warm months of the year (from 1 April until 30 September). This practice ended in 1991, and from that time Sweden was the only one of the three Nordic countries where the retail monopoly outlets were closed on Saturdays.¹¹ The Norwegian experiment with Saturday closing in 1984 was discontinued in 1985, after research had shown that this did not have any significant effect on the overall consumption (Nordlund, 1985).

¹¹ However, after the evaluation of a 10 months trial period the Swedish Parliament decided in June 2001 to end the practice with Saturday-closing of the Systembolag outlets from 1 July 2001.

Illustrated by looking at the retail monopolies, policies may be more heterogeneous than often is expected, and as Tigerstedt and Sutton (2000: 186) emphasise “very conflicting techniques may, within a limited policy field, be in force simultaneously”. This element of heterogeneity is also evident by studying how the various categories and types of alcoholic beverages have been treated in the Nordic countries.

The Monopolies and the Different Types of Alcoholic Beverages

Spirits have for the last two centuries been the dominant alcoholic beverage among people in the Nordic countries, and consumption of spirits has therefore also been connected with the most harm. In a historical perspective, the alcohol control policies in Finland, Norway, and Sweden can primarily be regarded as liquor or spirits control policies. This legacy was still evident in the 1980s, and different beverages were treated differently. In each of the three Nordic countries, beer has mainly been produced and distributed through a private licensing system, while wine and sprits have been subject for state monopoly control. However, there are here some vital differences between the three Nordic countries. Further, the balance between the various beverage types has also shifted throughout history.

The focus on spirits in Nordic alcohol control policies has a long tradition. For instance, the prohibition in Norway was never total. In fact, sale of beer and wine was not subject for prohibition. The so-called “alcohol prohibition” was actually an example of “spirits and strong wine prohibition” (Hamran and Myrvang, 1998). In addition to the different practices between the various beverage types, a distinction was made between domestic and foreign products. For instance in Norway in the 1980s, imported beer was subject to monopoly control while domestically produced beer could be sold in ordinary grocery stores. In this connection, the roles and practices of the Nordic state alcohol monopoly systems on the national versus on the international arena were also different.

Sales Restriction Nationally and Promotion Internationally

The strengthened business profiles of the Nordic state alcohol monopoly systems during the 1970s and 1980s have already been mentioned. This trend was evident by looking at the activity of the retail monopolies. If one analyses the activities related to the import, export, wholesale, and production monopolies, this trend becomes even more striking. The contrast between the domestic activity of the monopolies, which are intended to restrict the physical availability of alcoholic beverages nationally, and the massive promotion campaigns for national alcohol products that were directed towards the international markets is here essential.

There are here important national differences. During the 1970s and 1980s, the Swedish Vin & Sprit developed into a purely state controlled business enterprise, and increased production and export of Swedish produced spirits became the overriding objective. The success of the Swedish state owned monopoly's promotion of *Absolut Vodka* especially on the North-American markets is here central. This also inspired the two other countries. Alko devoted much energy on increasing the production and export of Finnish spirits during the early 1980s. The Norwegian monopoly held a lower business profile, but the unsuccessful attempt at increasing the export of Norwegian spirits in the end of the 1980s, illustrates that also in Norway the state owned alcohol monopoly saw the potential for increasing profits through increased sales of domestic products abroad.

The greater emphasis on business principles and commercial success is also evident in other ways. A new business language seemed to replace the old way to speak about the monopolies' activity. These changes could be observed from the late 1970s in both Finland and Sweden (Reuter and Tigerstedt, 1992). In Norway, the change is very much related to the second half of the 1980s. The new director of the Norwegian Vinmonopolet that took over in 1987, Einar Joys, described his intention of transforming Vinmonopolet from a state administrative institution to that of an economic production and business company. He also underlined that this change had to be seen in relation to the fact that neither he nor the new leader of the

board had any background in public politics or in the state bureaucracy, which was path-breaking in the history of Vinmonopolet (Stenius, 1990b). Joys also stated clearly that one ambition for the 1990s was to: “come on the offensive with regard to export of Norwegian spirits” (my translation (Vinmonopolet, 1989)).

By focusing on their international activities, it appears that a growing gap had developed between the health and social policy justification of the state alcohol monopolies’ activity, and their actual practises in each of the three countries towards the end of the 1980s (Ugland, 2000b). This gap was most easily recognised in Finland and Sweden, due to Alko’s and especially Vin & Sprits’s efforts and success in increasing the export of domestic products abroad. In Norway, the gap was less striking, and the commercial profile was also lower. This was both due to the unsuccessful market initiatives at the end of the 1980s, as well as to a growing national dissatisfaction with Vinmonopolet’s new business profile that was introduced by the new general director. Only five years after Joys had been engaged he was forced to leave his position in 1992, and the two historians Hamran and Myrvang claim that although that this was not the official explanation, the dismissal of Joys must be viewed in relation to a growing resistance against his leader style. “At Vinmonopolet it was not possible to practice all of the attitudes that Joys had brought with him from the shipping and the business milieu” (my translation (Hamran and Myrvang, 1998: 397)).

In Sweden, the difference between the domestic and international activities of the state alcohol monopoly system could to some degree be legitimised by the fact that the activities were separated between two different companies. The objective of restricting the sales of alcoholic beverages was the primary function of the retail monopoly, Systembolaget, while production and export was a matter for Vin & Sprit. The general director of Vin & Sprit emphasised very clearly that the company was not obliged to engage in efforts to reduce alcohol related harm (Stenius, 1990a: 205). In Finland, this difference between domestic and international activities was regarded as more problematic, and as will be

commented upon below, this seemed to incite a discussion concerning a possible reorganisation of Alko towards the end of the 1980s.

So far, the discussion has been centred on the alcohol monopoly systems. The duality between health and social policy versus commercial and economic considerations has been emphasised. A gap between health and social policy justification and actual practices could be identified along three dimensions: Different treatment between different types of alcoholic beverages (beer vs. wine and spirits), different treatment according to origin of product (domestic vs. foreign products), and finally there seemed to be a clear contrast between domestic and foreign activities (sales restriction and ban on advertising nationally vs. sales promotion internationally).

Although commercial and economic considerations seemed to become more important during the 1980s, the fact that more than one objective is pursued does not have to be a sign of inconsistency. Despite this, the last of the three above mentioned dimensions in particular points to what may be regarded as a source of inconsistency in Nordic alcohol control policies for at least two reasons. First, advertisement campaigns for domestic alcoholic beverages internationally are not likely to escape the attention of people in the Nordic countries, and they may therefore stimulate increased consumption domestically. The internationalisation of media is here relevant. It is in this perspective interesting to note that the international marketing and export campaigns were initiated and intensified shortly after advertisements for alcoholic beverages were banned in Finland (from 1976), Norway (1975), and Sweden (1978) due to health and social policy considerations. Second and more indirectly, the promotion of domestic alcoholic beverages abroad may also contribute to weakening and undermining the legitimacy of the restrictive alcohol control policies, and thereby in a longer time perspective contribute to increased consumption and alcohol related harm.

The question of policy consistency not only concerns whether the various activities

fit together to make sense, but also whether they can be said to be co-ordinated and coherent with respect to the objective of reducing alcohol related harm in society. In this perspective, giving greater priority to production and marketing of alcoholic beverages must be regarded as either directly or indirectly contradictory towards the main objective of Nordic alcohol control policies which is to reduce consumption and alcohol related harm.

These aspects, and especially the differences between Finland, Norway, and Sweden will be subject for further discussions below, but first we will take a closer look at the tax and price component of Nordic alcohol control policies from a perspective of policy consistency.

2.2.2 Taxation and Pricing of Alcoholic Beverages

High taxes and prices constitute the other main pillar of Nordic alcohol control policies. The idea is that alcoholic beverages are subject to the same economic laws of supply and demand as other products, and that high prices therefore will lead to lower demand and consumption, and thereby also a lower level of alcohol related harm.

The taxes and prices on alcoholic beverages increased in each of the three countries during the 1980s (Holder et al., 1998). This trend is consistent with the overriding objective of reducing the alcohol related harm in society, by restricting the economic availability of alcoholic beverages for the people. However, gaps between health and social policy justification and actual practices can be observed also in relation to this issue.

The excises on alcoholic beverages were as of 1980 set by the governments in each of the three Nordic countries, but the Finnish state alcohol monopoly, Alko, was more active in this respect than her Norwegian and Swedish counterparts. Alcohol tax revenues play a crucial role in the state budgets in the three Nordic countries,

and some critics of the high prices have said that the health and social policy considerations are only used to legitimise and justify the tax-collecting role. However, as Holder et al. claim (1998: 174), this allegation can be questioned. If the state wanted to maximise alcohol tax revenue, the physical restrictions on alcohol sales should be minimised, which is not the case in Finland, Norway and Sweden. This allegation seems more valid in the Danish case. Denmark has for instance a system with fairly high alcohol taxes on spirits, and almost no restrictions on physical availability. The physical availability of alcoholic beverages has however also increased in Finland, Norway and Sweden over the last decades.

Total excises on alcohol in percentage of the total state revenue vary between the three Nordic countries. During the 1980s, the percentage was highest in Finland, and lowest in Norway (Holder et al., 1998). Excises on alcoholic beverages have been based on a division between beer, wine and spirits, and the pattern in the Nordic countries is that the rate of excises increases with increased alcohol content. The focus on spirits as the most harmful alcoholic beverage type can also be seen here. However, alcohol content has not been the only criterion for taxation. In each of the three countries, there was an additional tax based on the value of the alcoholic beverages. The tax system during the 1980s has therefore been said to favour cheap domestic beverages in relation to expensive imported products (Horverak and Österberg, 1992). This aspect illustrates that different treatment between different types of alcoholic beverages, and different treatment according to origin of the product has been a part of the alcohol taxation systems in the Nordic countries.

With regard to taxation, the role of the Finnish Alko was different from the roles of the Norwegian and the Swedish state alcohol monopolies. The Finnish Alcohol Act of 1968 gave Alko's board the right to determine the taxes and prices on the various products. This role can be regarded as problematic, bearing in mind that Alko also was a producer, which operated in a highly competitive market. The

Finnish tax system gave in fact Alko wide opportunities to favour its own products, which the state alcohol company to some degree also did (Horverak and Österberg, 1992). In Norway and Sweden, taxing and pricing was to a much larger extent a governmental role.

2.2.3 Nordic Variations in Policy Consistency

Alcohol control policy in the Nordic countries consists of many small instruments (Kolstad, 1993). The monopoly systems and the high taxes and prices can be said to constitute the two main pillars, and they have also been given greatest attention here.

If one takes a closer look at the remaining policy components, both change and continuity can be observed. The commitment to general health information about the harmful effects of consumption of alcoholic beverages was maintained without big changes during the 1980s. Except for the repeal of the Saturday closing in Finland in 1991 and the introduction of Saturday closing in Sweden in 1982, the restrictions on opening hours of the state retail monopolies were marked by a high degree of stability in the Nordic countries during the late 1970s and 1980s. Also the age-limits for purchasing alcoholic beverages were marked by stability during this period. The opening hours for bars and restaurants have however gradually been extended. This trend has occurred in parallel with a strong increase in the number of establishments licensed to serve alcohol. This increase picked up speed especially in the latter part of the 1980s.

All in all, viewed from a perspective of policy consistency between different objectives, but also between objectives and activities, the status of the Nordic alcohol control policies during the 1980s give a complex picture. While most of the policy components seem quite co-ordinated and consistent with the objective of reducing the alcohol related harm in the Nordic countries, important gaps between health and social policy justification and actual practices have also been identified.

The contrast between the monopolies' activities on the national and the international arena is striking. During the 1970s and 1980s, the activity of the health and social policy oriented state alcohol monopoly systems became to a larger degree engaged in purely profit making activities, where increased sale of alcoholic beverages was a key for financial success. This is especially true for the Finnish and the Swedish monopoly systems, but initiatives to increase market shares internationally were also taken by the Norwegian state alcohol monopoly. In spite of this, the export profile was by far more modest than in Finland and Sweden. The various types of alcoholic beverages have also been treated differently both with regard to taxation and monopoly control. Discriminatory treatment can be observed between different beverage types, as well as in relation to how domestic and foreign products have been treated. Both these aspects illustrate the fiscal and economic development interests associated with Nordic alcohol control policies.

The question of policy consistency deals with the coupling of the normative and behavioural structures associated with a particular policy area, and based on the analyses above, this coupling became weakened during the 1980s. Some activities can only be justified from an economic or commercial point of view, and the health and social policy justification must be viewed as rhetoric. The sources of inconsistencies in relation to Nordic alcohol control policies seemed to a large degree to be related to the monopolies on import, export, wholesale, and production. The marketing and promotion of domestically produced alcoholic beverages that were undertaken by the Finnish Alko and the Swedish Vin & Sprit can be regarded, either directly or indirectly, as being in conflict with the overriding objective of their alcohol control policies. These activities were to a larger degree motivated by commercial and economic interests rather than by health and social policy considerations. Therefore, the policy consistency seemed higher in Norway mainly because of Vinmonopolet's lower business profile.

2.3 Nordic Alcohol Control Policies and Policy Interdependence

As described above, alcohol control is conducted through a comprehensive network of policy instruments in the Nordic countries. This network approach has been emphasised as an ideal in a number of studies, and inspired by the Nordic model, a government think tank in the UK gave in 1979 the following recommendation for a future alcohol control policy: “Government needs to view its policies on alcohol comprehensively and *inter alia* to test them against their effect on consumption and the likelihood they will effect levels of alcohol abuse. For this purpose all influences must be seen as part of a greater whole; none is decisive and none is *sui generis*” (Bruun, 1982: 90).¹²

The task will here be to analyse whether the various policy components of the Nordic alcohol control policy systems in fact were causally linked with the official objectives. Focus in this analysis will be on the notions of sequential and pooled interdependence (Thompson, 1967). The question of pooled interdependence has to do with whether the various policy components individually contribute to the overall objective. Put in another way, to what degree were each of the components presented above directly linked to the core objective of reducing alcohol related harm in society? One may for instance ask whether and how import, export, wholesale, and production monopolies may contribute to reducing alcohol related harm in the Nordic societies. These monopoly functions were not causally linked with the official objective of reducing alcohol related harm in society in a very direct manner. However, a test of sequential interdependence may give another impression. From a Nordic point of view it has been stressed that the alcohol control policy systems constitute a network of instruments, where some components must be operating in order for others to make sense (Kolstad, 1993:

¹² The Finnish alcohol researcher Kettil Bruun was the author of this report. However, the recommendations for stricter alcohol control were not welcomed by the British government. The report became marked “confidential” and was held back by the Thatcher government, but Bruun later published it beyond the reach of the U.K. Official Secrets Act.

10). By reference to this logic, it has been claimed that the import, export, wholesale, and production monopolies served the function of keeping private profit-seeking actors away from the trade with alcoholic beverages, and that this in a longer time perspective was crucial in order to maintain the existing control systems. It was here feared that de-monopolising these monopoly functions would lead to increased pressure for a more liberal alcohol control system, and that alcohol in turn would become more accessible for people in the Nordic countries.

The link between the monopoly systems and high taxes and prices has also been explained by reference to the notion of sequential interdependence. Since the rates of excises on alcoholic beverages in the Nordic countries are very high in a comparative perspective, state monopoly control over import and wholesale has been regarded as necessary in order to prevent illegal distribution and tax evasion. The argument here is that high alcohol taxes and prices only make sense if the alcohol trade can be controlled in an effective manner.

The dynamics and causal relationships here will always be subject for discussions, but an attempt will be made here to go beyond these general descriptions by focusing on more detailed patterns of alcohol control policy interdependence in each of the three Nordic countries. Loosely integrated policy components will be identified, and the sum and character of these components will be discussed in terms of overall policy interdependence.

2.3.1 Nordic Variations in Policy Interdependence

Although that most of the activities and policy instruments employed in the area of alcohol control policy in the Nordic countries can be described in one way or another as being causally linked to the objective of reducing the alcohol related harm in the society, loosely integrated and even random elements can also be identified. The most striking random elements can be observed by studying the activities of the state alcohol monopoly systems.

The Finnish Alko was the most comprehensive of the Nordic monopolies both in terms of activities and size. Alko has a long tradition of being involved in practically all aspects related to alcohol. Besides the sole right to sell all kind of alcoholic beverages, the company also licensed and supervised restaurants, breweries, private fruit wine producers, and medium beer retailers; decided the prices on alcoholic beverages sold in restaurants; and regulated serving practices in private restaurants. Alko also owned two restaurant and hotel chains, which constituted an important part of the company's economic foundation. In addition, Alko had been financing social alcohol research since the early 1950s, and employed their own social scientists that were producing scientific journals and alcohol statistics.

As we have seen above, Alko's commercial business profile became gradually strengthened over time. Increased priority on export of its own alcoholic beverages is only one aspect here. In the 1980s, Alko also became more extensively engaged in activities that were loosely or not all linked to the overriding objective behind Finnish alcohol control policy. Production and sale of new products like car-chemicals, enzymes, vinegar, and industrial ethyl are striking examples. Also, chemical, technical and biomedical know-how concerning production of alcohol became export articles for the Finnish state alcohol monopoly during this period. These policy components could be regarded as random elements because they seemed quite distant in relation to the objective of reducing the alcohol related harm in the Finnish society. The situation was different in Norway and Sweden, where the activities of the state alcohol monopolies were more concentrated around the core functions of import, export, wholesale, production and retail sale of alcoholic beverages.

It appears that the various components that together constitute the alcohol control policy area in the Nordic countries can be regarded as inter-linked, as well as linked to the objective of reducing alcohol related harm. The very comprehensiveness of

the Finnish alcohol monopoly system both with regard to tasks and size is however more problematic. Random elements are easily identified in relation to the services provided (export of know-how in relation to alcohol production) and in connection with the products offered (for instance car chemicals and enzymes). These functions and activities do not contribute to the overriding objective. Instead, they may contribute to diffusing the health and social policy profile. Also Room (1999: 17) emphasises the lack of coordination between Alko's many functions.

Moving away from these Finnish particularities to a more general view, the import, export, wholesale and production monopoly functions can by themselves be regarded as loosely linked with the overall objective of reducing alcohol related harm. While the direct link between these functions and the overall objective seems particularly weak, these monopoly functions have been justified in the Nordic countries by reference to sequential interdependence. It has been said that if one allows for private profit interests in the alcohol trade, additional pressures for liberalisation will be created, which in turn may contribute to weakening the alcohol control potential. Although this may be true, the claim that changes in one policy component will affect the state of others is also a question of pace and strength. The causal link between the import, export, wholesale, and production monopolies, and the objective of reducing alcohol related harm does not seem to be immediate nor particularly strong.

It is also true that the principle of eliminating the private profit motives in the alcohol trade has not been "carried through in a consequential manner" ((my translation) Bruun, 1973: 289). Beer has to a large degree been exempted from this principle, and private profit maximisation brewery interests have been accepted.

Further, the rationale behind the objective of eliminating the private profit interest in the alcohol trade is implicitly built on two assumptions. First, it is assumed that private actors would inevitably engage in these activities purely from a profit maximisation point of view, without taking health and social policy considerations

into account. Second, by making alcohol trade a public responsibility, it is assumed that profit motives will be subordinated to health and social policy considerations. While the first assumption may be unproblematic, the second one is more controversial. By studying the activity of the state monopolies on import, export, wholesales and production of alcoholic beverages in the 1980s, it is obvious that profit interests played a central, and perhaps even a primary role in relation to these activities. The distinction between the private and the public can therefore perhaps be viewed as a difference in degrees rather than a matter of principal. Whether profit in alcohol trade is sought by private actors or by the state cannot be regarded as a fundamental difference when viewed from a health and social policy perspective.

In sum, the state monopolies on import, export, wholesales and production may therefore be viewed as random elements in relation to the health and social policy principles underlying Nordic alcohol control policies. This observation does not strike the retail monopolies, which must be regarded as more tightly linked to the objective of reducing the level of alcohol related harm in the Nordic societies. The high taxes and prices also seem to be tightly linked to the health and social policy objective.

2.4 Nordic Alcohol Control Policies and Structural Connectedness

The question of structural connectedness will be discussed by identifying the various actors and institutions that can be associated with Nordic alcohol control policies. The relationships between them will also be elaborated upon. Focus will be on both the formal administrative and political institutions, as well on relevant organised interests that have been more or less integrated in the policy making process in this area of public policy. Attention will also be paid to the role of public opinion in relation to alcohol control policy issues in Finland, Norway, and

Sweden.

The Ministry of Health and Social Affairs, the state alcohol monopolies, the parliamentary temperance groups, and the organised temperance interests have been identified as key actors and institutions within the area of Nordic alcohol control policies (Holder et al., 1998; Sulkunen, Sutton, Tigerstedt and Warpenius et al., 2000). These institutions can be viewed from a sociometric perspective, and the aim here is to elaborate on the relationships between them in terms of responsibility, authority structures and information flow. Nordic variations will also be identified where possible. Towards the end of this discussion, central aspects of the structural connectedness and the policy consistency will be combined through the notion of advocacy coalitions (Sabatier, 1988).

2.4.1 Nordic Variations in Structural Connectedness

Administrative Actors and Institutions

Administrative responsibility for dealing with alcohol related issues is largely spread horizontally. A report from the UK illustrated that as many as sixteen Departments had direct policy interests in alcohol production, sale or the consequences of its consumption (Bruun, 1973). In the Nordic countries, alcohol taxation comes under the authority of the Ministry of Finance, while the Ministry of Transportation deals with issues like drink and drive etc. However, the area of alcohol control policy falls in under the Ministry of Health and Social Affairs in each of the three Nordic countries.

Despite national variations, the alcohol control policy administration has a long tradition of being highly centralised in Finland, Norway, and Sweden. The main lines of alcohol control policy are decided by the state and tied to the development of national goals, but many decisions are also left to the municipalities (Andersen, 2000), which illustrates vertical spreading. Norway has been said to maintain the most vertically decentralised tradition of the three countries, and Finland the most

centralised (Holder et al., 1998). This administrative pattern seemed quite stable in the past war period until the end of the 1980s, when pressure for both horizontal and vertical decentralisation seemed to increase. This trend is particularly striking in relation to the monopoly systems.

Although the Ministry of Health and Social Affairs is charged with the main administrative responsibility for the state alcohol monopoly system in Finland, Norway, and Sweden, several interesting differences exist between the three countries. As mentioned earlier, the Finnish Alko has a long tradition of being a fairly independent actor in alcohol control policy related questions. For instance, the board of administration of Alko was responsible for making decisions on the opening of new retail outlets, as well as for determining the sales prices of alcoholic beverages. The Norwegian Vinmonopolet is an administrative body under the Ministry of Health and Social Affairs, and the company has a less independent position in alcohol related questions compared to the Finnish counterpart. In Sweden, the retail monopoly Systembolaget is placed under the Ministry of Health and Social Affairs, while Vin & Sprit falls under the Ministry of Finance.

Holder et al. describes the differences between the Finnish and the Swedish case in the following way: “These organisational differences have meant that, whereas in Finland there have been alcohol control policy disputes within one organisation, in Sweden disputes have occurred between two different state-owned alcohol monopoly companies” (Holder et al., 1998: 172-173). These differences seemed to grow during the 1980s, and must be seen in connection with the duality between the objective of reducing alcohol related harm versus the increased emphasis on increased production and export of domestic products that was illustrated under the discussion of policy consistency.

In Finland during the 1980s, discussions took place concerning whether the Ministry of Social Affairs and Health, that had been responsible for the control of Alko, should share this responsibility with the Ministry of Finance and the Ministry

of Trade and Industry. While the Ministry of Finance was envisioned to undertake a larger role in connection with the general economic supervision of Alko, the Ministry of Trade and Industry was proposed as the caretaker of the business related aspects of the company (Alko, 1986). Although Vinmonopolet in Norway also became reorganised in the last part of the 1980s, when a more distinct separation was made between administration, finance/economy, and logistics activities, it was never suggested that the administration should be divided across different ministries.

In the Swedish case, where the monopoly system consisted of two different monopolies, one for retail sales and one for import, export, wholesale and production, it was at the end of the 1980s speculated about a de-monopolisation of the latter. The general director of Vin & Sprit claimed that the reorganisation that had been effective from 1. September 1990 was a step in preparing for a possible future de-monopolisation (Stenius, 1990a: 205).

All in all, the administration of the area of alcohol control policy in Finland, Norway, and Sweden is characterised by some important differences. Although the vertical decentralisation was most pronounced in Norway, the horizontal decentralisation, as well as the pressure for increased horizontal decentralisation was weaker than in the other two countries. At the end of the 1980s, the position of the Ministry of Health and Social Affairs was not challenged by any reorganisation plans involving a takeover of the administrative functions by other ministries. In Sweden, the import, export, wholesale, and production functions of the state alcohol monopoly were already institutionally separated from the Ministry of Health and Social Affairs, and a similar arrangement was also discussed in Finland.

Political Actors and Organised Interests

Nordic alcohol control policies must be viewed in close relation to the temperance movements, and in order to co-ordinate alcohol control policy actions on the

national level, temperance groups have been formed within the national parliaments in Finland, Norway, and Sweden. According to Warpenius and Sutton (2000: 47), the first group in Norway and Sweden was founded in the 1890s, while the first Finnish Parliamentary temperance group dates back to 1939. In Norway, discussions were even undertaken in order to explore the possibility for establishing a separate temperance party.

Temperance support in the Nordic parliaments remained strong until the 1960s. Approximate figures suggest that in the early 1960s, about 33, 30, and 36 per cent of the representatives were members of the parliamentary temperance groups in Finland, Norway and Sweden respectively (Flodh, 1963; Warpenius and Sutton, 2000). Thereafter the number of members has decreased substantially, and by 1995, only 2, 10, and 6 per cent of the representatives were members in the Parliamentary temperance groups in the three countries respectively.¹³ Norwegian election studies further illustrate that the numbers who define themselves as active teetotallers in Norway, has gradually decreased from more than 20 per cent in the 1960s, to around 10 per cent during the elections in the 1980s (Valen, Aardal and Vogt, 1990). This development on the political arena must be viewed in relation to a number of factors. The more alcohol liberal trends in public opinion and the declining support for the temperance organisations in the Nordic societies are here important.

The way attitudes towards alcohol fluctuate has been said to reflect two different, though connected processes of change. On the one hand, opinions become more restrictive and liberal in a cyclical fashion, and on the other, the part alcohol plays in social life and culture may change more permanently (Mäkelä, 1987: 167). Attitudes towards alcohol control policy measures and their legitimacy are likely to be marked by both these types of change processes.

¹³ The figure for Finland was obtained for 1998.

Cyclic change can be related to specific historical events. Mäkelä (1987) illustrates this type of change by referring to how the sudden upsurge of alcohol-related problems in the 1970s in Finland broke the liberal attitudes of the 1960s and led to stricter attitudes, only to again become more liberal in the 1980s. On the other hand, the decline of the various social collectives that created the basis for the establishment of the restrictive alcohol control policies in the Nordic countries more than a century ago seems to be of a more permanent character. For instance, in Norway in 1905, the various temperance organisations had more than 200 000 registered members among a population of 2.3 million (Fuglum, 1972). In 1996, the figure was about 50-60 000, and the population had in the mean time grown to more than 4 million (Holder et al., 1998: 170). Similar trends can be observed in Finland and Sweden. From being a strong political force in the Nordic societies, the temperance movements have gradually lost much of their influence on the political arena during the post war period. Concurrently with this trend, the pressure for liberalisation of sale and trade with alcohol has increased.

At the same time as the temperance movements have lost ground, new private actors have managed to communicate their desire for liberalisation more effectively. Representatives from the brewery industry, and the tourist, hotel and restaurant businesses are here central actors.

Despite similarities between the Nordic countries, the Finnish case is special from a perspective of structural connectedness. The temperance movement in Finland was almost absent in the national political discourses during the 1980s. The Finnish temperance movement had over a longer time-period been moving away from alcohol issues by instead addressing smoking and healthy life styles in general. As an indicator and effect of this trend, the bimonthly newsletter changed name in 1988 from “Temperance News” to “Good Living” (Holder et al., 1998). This trend culminated in 1997 when the Finnish League of Temperance Unions was dissolved completely. In Norway and Sweden, the temperance movement was still characterised by a high degree of activity in the 1980s and 1990s, and the

Norwegian and Swedish temperance interests still had some influence politically.

Public Opinion

The role of alcohol and alcohol control policy is much debated in the Nordic societies, and although changes in attitudes are occurring, people's attitudes seem to have been largely stable for an extensive period of time. About 50 per cent of the population expressed their content with the prevailing restrictions on alcohol control in Norway in a number of surveys from 1962 until 1994 (Saglie and Nordlund, 1993; Nordlund, 1998). The figure is about the same in a number of surveys in Finland during the 1980s (Ahlström and Österberg, 1992). However, the impression of stability in the general attitudes towards alcohol control must be viewed in relation to the fact that both the Finnish and Norwegian alcohol control policy during this time had become more liberal. In general, these data therefore reveal an overall trend in a more liberal direction, a trend that accelerated during 1980s.

This is evident by looking at the balance between those who were in favour of more liberal versus more restrictive alcohol control. In Finland in 1981, 11 per cent of those interviewed supported a more liberal policy. In 1989, this number had increased to about 40 per cent (Ahlström and Österberg, 1992). Also in Norway, the number of those who favour more liberal alcohol control measures has increased in relation to those who prefer more restrictive measures (Nordlund, 1998). In a Swedish survey, 96 per cent of the respondents characterised the alcohol problems in Sweden as serious or very serious in 1981. In 1994, this figure had decreased to 66 percent (Holder et al, 1998). The interesting aspect with these two figures is that the alcohol consumption per capita was about the same in these two years. This trend can therefore be regarded as a change towards more liberal attitudes.

If we look at the attitudes towards more specific alcohol control policy

components, there exists survey data about attitudes towards the sales systems for the various types of alcoholic beverages in Finland, Norway, and Sweden. From the end of the 1980s and onwards, the proportion who were in favour of sales of wine in grocery stores has increased, and a majority in each of the three countries now seems to prefer to de-monopolise wine sales. A much smaller proportion, about 20 per cent, seems to favour spirits to be sold in ordinary grocery stores (Holder et al., 1998). Since the surveys that have been referred to here have not been coordinated between the countries in terms of methods it is difficult to say something about the cross-national variations.

More liberal attitudes, and declining support for restrictive alcohol control policies during the 1980s can be explained with reference to a number of factors. The question of policy legitimacy is often viewed in relation to evaluations of goals (see for instance Pfeffer and Salancik, 1978), and Nordic alcohol control policies have over the last decades been criticised for not achieving the intended effect of reducing alcohol related harm in society. Per capita alcohol consumption, which is based on national sales statistics, is low in a European perspective. However, the high prices on alcoholic beverages in Finland, Norway, and Sweden have been said to stimulate a substantial level of legal and illegal home production and travellers' imports and smuggling from other countries. It has often been said that if one adds these sources of alcohol to the official statistics, the consumption in the Nordic countries is not so low relative to other countries. In spite of this, figures illustrate that even if one allows for estimates of unrecorded consumption, the per capita consumption is lower than most other European countries (Holder et al., 1998). This is also true if one ignores the considerable level of unrecorded alcohol consumption in other European countries.

Declining legitimacy and support must also be viewed in light of different liberal arguments that have gained support both in the Nordic countries and in other Western democracies over time. Ideas of self-control and individual responsibility over one's own life have in different ways challenged the universalism that has

been central in the Nordic way of thinking about alcohol and alcohol control. Similar trends can for instance be found in views on abortion and contraceptive policies during the late 1960s and early 1970s (Sulkunen, Sutton, Tigerstedt and Warpenius et al., 2000).

Another element that may have had an impact on the attitudes towards the health and social policy oriented alcohol control policy of the Nordic countries is the growing literature and research that in different ways have challenged the belief in alcohol as harmful to the drinker's health. Starting in the early 1980s, a number of studies have been presented that have documented beneficial health effects of moderate drinking (see for instance, Klatsky et al., 1981; Marmot, 1984; Friedman and Kimball 1986). Although this literature has been criticised in a number of ways (Edwards et al., 1994), the conclusions drawn in these studies are often given high priority in the various media. These studies often focus on individual health aspects, while the social consequences of alcohol consumption, which have been central in the justification of Nordic alcohol control policies, have not been subject for the same attention. Each of these aspects seems of importance in order to explain the more liberal attitudes towards alcohol and alcohol control that have been observed in Finland, Norway and Sweden since the 1980s.

Structural Connectedness and Advocacy Coalitions

The relationship between the various actors and institutions associated with Nordic alcohol control policies have here been identified. The main conclusion is that the degree of structural connectedness has been reduced during the 1980s. Viewed from a sociometric perspective, some actors and institutions have disappeared completely, while others have become marginalized. These processes were to a large extent parallel in Finland, Norway, and Sweden, but there were also some important differences. In terms of structural connectedness, Finland appears to constitute a special case. The temperance movement was weakest in this country, and the Finnish League of Temperance Unions was even dissolved in 1997. Holder

et al. claim that due to the waning importance of the temperance movement in Finland, the responsibility for promoting social and health oriented alcohol control policies had shifted, and that “the burden fell on Alko, the state bureaucracy, and to social alcohol research (Holder et al, 1998: 168). However, it has here been illustrated that also the positions and administrative responsibilities of Alko and the Ministry of Social Affairs and Health in the alcohol control policy area became questioned through reorganisation initiatives in Finland.

By combining the question of structural connectedness with aspects related to the policy consistency, the trends that have been described above can be specified. Sabatier’s concept of “advocacy coalition”, defined as “people from a variety of positions (elected and agency officials, interests group leaders, researchers) who share a particular belief system – i.e. a set of basic values, causal assumptions, and problem perceptions – and who show a non-trivial degree of co-ordinated activity over time“ (1988: 139), may here provide useful.

It seems justified to claim that the traditional and dominant advocacy coalition associated with Nordic alcohol control policies has lost ground. On the political level, the temperance groups in the parliaments have become marginalized, and the influence of the temperance movements in society has declined in relation to other pressure groups who aim at easing the restrictions on sale, serving and trade in alcoholic beverages. The authority of the Ministry of Health and Social Affairs in alcohol control policy questions has become challenged by other ministries. Public opinion seems to have become more liberal with regard to views on how and where alcohol should be sold, and new research has questioned many of the established understandings about the effects of alcohol consumption. All in all, many of the basic values, causal assumptions, and problem perceptions associated with Nordic alcohol control policies have become challenged, and this development accelerated in the 1980s.

2.5 Contrasting Patterns and Degrees of Alcohol Control Policy Integration in Finland, Norway and Sweden

A policy area is here understood as a system consisting of a number of different components, and in order to increase the understanding of policy developments it is necessary to systematically unveil how these components are integrated. This task consists of two different, but connected tasks. Both the overall integration, but also the way the individual components are integrated in the system must be mapped out. These tasks have here been carried out by studying the patterns of policy consistency, interdependence and structural connectedness in relation to the alcohol control policies in Finland, Norway, and Sweden.

Based on these criteria, the alcohol control policy integration in the Nordic countries became weakened during the 1980s. Commercial and economic aspects appear to have infused this area of public policy extensively. However, the emphasis on health and social considerations remained high even during this period, and the view on alcohol as a commodity that must be subjected to particular restrictions has been stable. This ambiguity illustrates two aspects that have been elaborated on in the theoretical discussion in Chapter 1.

First, the notion of a public policy area as something uniform and homogenous that has been challenged in this dissertation seems justified. It is especially one component of Nordic alcohol control policies that contributed to weakening the overall policy integration during the 1980s. The activities related to the monopolies on import, export, wholesale, and production were inconsistent towards, and weakly linked to the main objective of reducing alcohol related harm. It was also in connection with these monopoly functions that one could observe the initiatives towards a structural reorganisation. All in all, the various functions of the Nordic state alcohol monopoly systems seemed to be loosely integrated, and some of these functions were also loosely integrated with the overall policy area.

Second, the notion of “Nordic alcohol control policies” was also challenged by reference to cross-national uniformity and homogeneity in this area of public policy. Again, this notion emphasises the resemblances, but it may also blur the differences. The integration of Nordic alcohol control policies seemed to differ between Finland, Norway, and Sweden. The inconsistency seemed greatest in the cases of Finland and Sweden, primarily due to the growing emphasis on business aspects and financial success related to production and export of domestic alcohol products abroad. Compared with Sweden, this inconsistency seemed more problematic in the Finnish case, mainly because the same state alcohol monopoly company was in charge of the retail sales function, and the business functions related to export and production. In Sweden, the two functions were taken care of by two different state monopoly companies. In Norway the economic aspects of the state alcohol monopoly system were less pronounced, and the inconsistency seemed more limited. Also the general director of the Swedish Systembolaget regarded the unified state alcohol monopolies in Finland and Norway as problematic (Romanus, 1990). In addition, the very comprehensiveness of Alko, with its many random elements that were loosely connected to the official objective of reducing alcohol related harm is here important. The monopoly seemed in many ways ready for structural and organisational changes, which also became an administrative and political issue at the end of the 1980s.

Based on the criteria of consistency, interdependence and structural connectedness, the area of alcohol control policy in Sweden, and in particular in Finland seemed to be more loosely integrated than in Norway. The role of the state alcohol monopoly systems is here key. From its inception, the Swedish state alcohol monopoly system was built on a disintegrated model, while the structurally integrated Finnish state monopoly aimed at balancing possible inconsistencies in tasks within one company.

When studying these relations, it is crucial to be aware of the interplay between the

three criteria. The growing inconsistency between the state alcohol monopolies' activities towards the national and the international arena are striking, and this trend seemed to contribute to stimulating a debate about administrative changes in the monopoly system structures.

2.6 History as Inefficient: Continuity and Change in Nordic Alcohol Control Policies

The integration of the Nordic alcohol control policies has become weakened in the post war period, a development that gained momentum during the 1970s and the 1980s. Despite the more or less obvious gaps between officially stated objectives and actual practises, as well as between existing institutional arrangements and popular support (Ugland, 2000b), Nordic alcohol control policies have been marked by a high degree of stability and continuity. This observation supports the assumption of historical inefficiency that was presented in Chapter 1. The development of Nordic alcohol control policies cannot be described with reference to processes of quick and inevitable adaptation to environmental conditions. Instead, the analysis here has illustrated that the match between Nordic alcohol control policies and their environments has been less automatic, less continuous, and less precise.

This observation constitutes a central premise for the following analysis. Increased participation in the European integration process will in many ways represent a comprehensive environmental change for Nordic alcohol control policies. However, the policy impacts may be more uncertain. The theoretical and empirical background that has been presented so far gives us clues in order to increase understanding about the dynamics of policy change and continuity in general, as well as on how Nordic alcohol control policies became affected in the meeting with the EU in particular.

Before we study the impacts of increased European integration on these policies, the status of alcohol and alcohol control on the EU level and in the various member states will be accounted for. By increasing the knowledge about the policy match and mismatch with regard to alcohol and alcohol control policies between the various levels, the notion of policy re-categorization that was introduced in Chapter 1 can be further specified.

CHAPTER 3

ALCOHOL, ALCOHOL CONTROL AND THE EU

3.1 Introduction

The health and social policy oriented alcohol control policies of the Nordic countries have been portrayed as unique in a European context (Holder et al., 1998). The main aspects of this uniqueness will be elaborated upon in this chapter by going into some details about the status of alcohol and alcohol control in the established EU member states, and then focusing on how these issues have been addressed on the EU level. The main focus will be on the 1980s, leading up to the time when the EEA negotiations commenced in June 1990.

Three issues will constitute the basic framework for the discussion here. First, it will be discussed why it seems appropriate to apply the notion of a *substantive* policy mismatch in order to describe the policy relationship with regard to alcohol and alcohol control between the Nordic countries on the one hand, and the EU and its established member states on the other. The very uniqueness of the Finnish, Norwegian and Swedish network of alcohol control policy instruments will be accentuated by reference to the notion of policy integration, and the criteria of consistency, interdependence and structural connectedness. Second, it will be considered whether this substantive policy mismatch can be regarded as a product of factors and characteristics that are unique to Finland, Norway, and Sweden in relation to the role of alcohol in society. Attention to differences in levels and patterns of consumption and alcohol related harm is here central. Third, an attempt will also be made to identify differences between the established EU member states with regard to alcohol and alcohol control. In this way, the notion of the substantive

policy mismatch, which is based on a dichotomised way of thinking, will be challenged.

3.2 Alcohol and Alcohol Control in the EU Member States

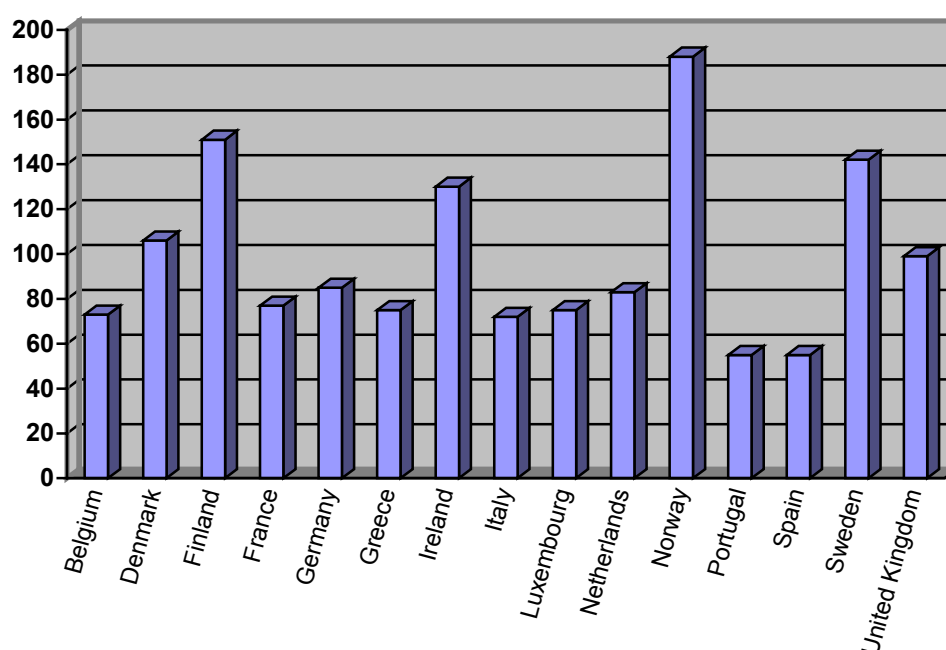
3.2.1 A Disintegrated Approach Towards Alcohol Control

At the time when Finland, Norway and Sweden entered into formal negotiations with the EU on the establishment of the EEA in 1990, alcohol control was not regulated through a public policy program in any of the established EU member states that corresponds to that of the Nordic countries. This is evident by examining the various policy measures that had been introduced separately, but the contrast to the Nordic countries becomes particularly striking if considering these measures as parts of a integrated policy area where the overriding aim is to reduce the prevalence of alcohol related harm in society.

Perceptions of alcohol use and policy responses vary from country to country, but focusing on specific alcohol control measures that are generally shared, it can be concluded that each of the EU member states had adopted rules against alcohol use in connection with specific situations (i.e. drink driving), or for specific target groups (i.e. young people). However, the maximum drink-driving limits, the frequency of testing, the penalties for exceeding the limit, and how rigorously the laws are enforced, varied widely. Also the age limits for purchasing alcoholic beverages varied and were enforced differently. Advertisement for alcoholic beverages directed towards young people was also banned in one form or another, and sales and serving of alcoholic beverages were subject for public licence in a majority of the EU member states as of 1990 (NOU, 1995). These measures illustrate the existence of a general awareness of the potential for harm that can be attributed to alcohol consumption and abuse.

The contrast between Finland, Norway, and Sweden and the established member states of the EU as of 1990 was most easily recognised if focusing on the two main pillars of Nordic alcohol control policies. The aims of reducing the physical and economic availability of alcoholic beverages in society were clearly more pronounced in the Nordic countries. When the EEA negotiations commenced, no EU member states operated with comprehensive state alcohol monopoly systems like those of the Nordic countries. Further, prices and taxes were substantially lower than in the Nordic countries. In Figure 3.1, the prices on alcoholic beverages in Finland, Norway and Sweden are compared with the prices in the 12 EU member states as of 1993.

Figure 3.1 Comparative dollar price levels on alcoholic beverages of final expenditure of GDP in 1993 (OECD-average = 100).



Source: OECD (1995).

Among the established EU member states as of 1990, the various actions and

beliefs in relation to alcohol and alcohol control seemed to be less coherent, the measures that had been introduced were not tightly inter-linked, and they did not seem to be supported by a network of co-ordinated actors and institutions. For instance, the liberal advertising rules in most EU member states were directly contradictory to and inconsistent in relation to the public attitude and awareness campaigns that are aimed at reducing the level of alcohol related harm. The link between prevention of alcohol abuse among young people, and low or non-enforced age limits for purchasing is also problematic from a perspective of policy consistency and interdependence. The low taxes and prices on alcoholic beverages must in many EU member states be regarded as a deliberate strategy, where the aim is to maintain or to increase alcohol consumption. In nine out of the twelve established member states as of 1986, wine was not subject to excises at all, or taxed at a very low level (Tigerstedt, 1990b). A general lack of structural co-ordination in the administration of alcohol control measures, both horizontally and vertically, was also identified in most EU member states (Osservatorio Permanente sui Giovani e l'Alcool, 1994), and comprehensive state alcohol monopoly systems were absent. All in all, the policy approach towards alcohol control seemed less integrated compared to the situation in the Nordic countries.

To highlight the differences even further, a health and social policy oriented “alcohol policy” as a concept was not even included in the policy vocabulary in most of the member states of the EU in the 1980s (Fahrenkrug, 1990). On the contrary, alcohol policy would in many EU member states primarily and intuitively be interpreted as a program intended to promote sale, trade and production of alcoholic beverages (Lubkin, 1996).

In spite of this, to what extent the various alcohol control measures compose an integrated system, also varied among the EU member states. The EU funded project, the European Comparative Alcohol Study (ECAS), has analysed the similarities and differences in alcohol control policies in the EU member states (excluding Luxembourg) and Norway during the 1950-2000 period (Karlsson and

Österberg, 2001).¹⁴ A quantitative scale, consisting of six sub groups was in this connection constructed for the purpose of measuring and comparing the strictness in alcohol control in the 15 countries: “control over production and wholesale”, “control over distribution”, “personal control”, “control over marketing”, “social and environmental control” and “public policy”. Based on these subgroups, the individual countries were given a total score in 1950, 1960, 1970, 1980, 1990 and 2000. Three levels of alcohol control groups were then identified: High, average and low alcohol control countries.

If studying the development from 1950 to 1990, the following main conclusions can be drawn.¹⁵ First, each of the established EU states obtained a higher score in 1990 compared with the score in 1950. This implies that alcohol control has become stricter during this period. The move towards stricter and more extensive alcohol control could particularly be detected between 1970 and 1990 for most countries. Second, Finland, Norway and Sweden were given the highest score by wide margins for each year. However, the United Kingdom has also been ranked in the high level group together with the three Nordic countries since 1970. In 1990, also the Netherlands was included in the high level group. Third, only Greece and Portugal were placed in the low level group throughout this period. This low level group has been reduced from 9 countries in 1950, to 2 countries in 1990.

These rankings are crude measures, and one should be very careful to not draw too far-reaching conclusions based solely on the results of this quantitative scale (Karlsson and Österberg, 2001: 126-127). The total scores over time will reflect different and even opposite trends, and it is important to be aware of the fact that perhaps the most efficient policy instrument to control consumption, the high

¹⁴ The ECAS project was initiated in negotiations between the Commission DG V (Employment, Health and Social Affairs) and a number of national governments of the EU member states in 1995, and it was funded by a grant in 1998. The project was completed in 2001. See www.sofi.su.se/ecas2000.html.

¹⁵ The development from 1990 to 2000 will be subject for discussions in the conclusions of this dissertation, as this development can be viewed in relation to the question of how Nordic alcohol control policies have become affected in the meeting with the EU.

alcohol taxes and prices (Edwards et al., 1994) has been excluded from this scale. Nevertheless, this scale may contribute to shedding some light on the various alcohol control measures from a perspective of policy integration. Finland, Norway and Sweden obtained respectively 18.5, 19, and 18.5 of the maximum score of 20 in 1990, while the average for the 12 remaining EU member states was 9.5.

The ECAS scale is based on the formal and centralised aspects of alcohol control, and it is important to remember that there exist other forms of alcohol control. For instance, in most central and southern EU member states, drinking often follows sophisticated rules and explicit informal norms, where the families are the predominant socialisation instances. This is one among several aspects that must be taken into account when comparing the three Nordic countries with the established EU member states prior to the EEA negotiations that commenced in 1990.

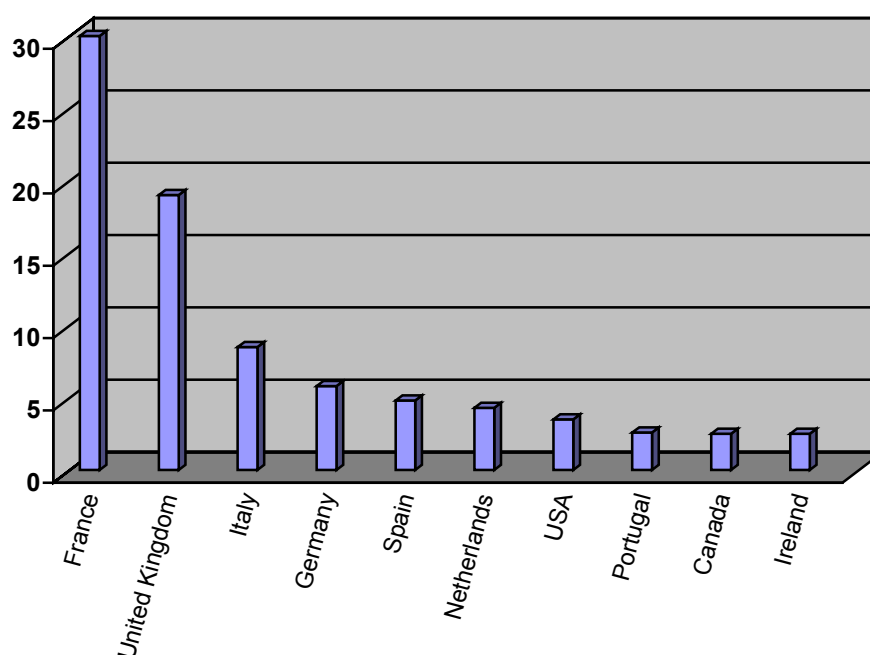
3.2.2 Economic, Cultural and Historical Aspects in Relation to Alcohol

The differences in approaches to alcohol and alcohol control must be viewed in light of a number of factors. Commercial and economic interests are here of major importance.

Europe is the part of the world with the highest production and export of alcoholic beverages, but there are substantial cross-country and regional differences. According to figures presented by the alcohol industry, production of and trade in alcohol employed about 2 per cent of the total civilian work force in the member states of the EU in 1990 (Naert, 1993). The percentage is thought to be much higher in the wine regions and centres of tourism in southern Europe and in the whisky regions in Scotland (Lehto, 1995). The value of trade in alcoholic beverages has been growing over the last decades, and in terms of export, the relative importance of alcoholic products is greatest in Ireland, France and Portugal (Walsh, 1995: 65).

The ten biggest exporters of alcoholic beverages in the world are presented in Figure 3.2. It is here illustrated that a few EU member states account for more than two-thirds of total world exports. Until the 1980s, export of alcohol was almost non-existing in the Nordic countries.

Figure 3.2 Principal exporting countries of alcoholic beverages in the world in 1992 (share of total world export in %).



Source: United Nations (1993).

Due to the important role of alcoholic beverages in the economy of many European countries, the tensions and collisions between commercial and economic interests with respect to alcoholic beverages on the one hand, and potential health and social interests on the other must be regarded as particularly sensitive.

Powerful pressure groups organised around production and trade in alcoholic beverages have been successful in making their case through lobbying activities at various levels of national politics. Although these groups consist of different actors

like wine farmers, brewery and industry representatives, alcohol distributors, and the hotel and restaurant business, they often act in a co-ordinated and united fashion. The co-ordination across national borders has also been strengthened during the last decades. Their efforts have mainly been directed at keeping alcohol taxes at a low level. Formed in December 1990, The Amsterdam Group (TAG) is an alliance of Europe's leading producers of beers, wines and spirits. The main task of TAG is to promote and protect the producer interests. In general, the Amsterdam Group and similar pressure groups often seem to favour education initiatives to sensible drinking and self-regulating measures, while they are generally sceptical towards the introduction of formal laws and regulatory alcohol control measures.¹⁶

The limited use of centralised and formalised control measures in relation to alcohol in most EU member states is not only due to the economic interests involved. Historical and cultural differences must also be taken into account. For instance, key actors that have been associated with the emergence of the restrictive alcohol control policies in the Nordic countries have historically had a weaker position in most other European countries. The international temperance movement of the late 19th and early 20th century was at its strongest in the Nordic countries (Finland, Iceland, Norway and Sweden) and in a group of English speaking countries, including the United States, Canada, the United Kingdom, Australia and New Zealand (Levine, 1992). The common denominators between these two cultures and nine countries can be specified with reference to two factors: strong spirits was the dominant alcoholic beverage and these countries were predominantly Protestant (Levine, 1992; see also Johansson, 2000).¹⁷ Large and enduring temperance movements did not emerge in the primarily wine drinking Catholic or Greek Orthodox cultures.

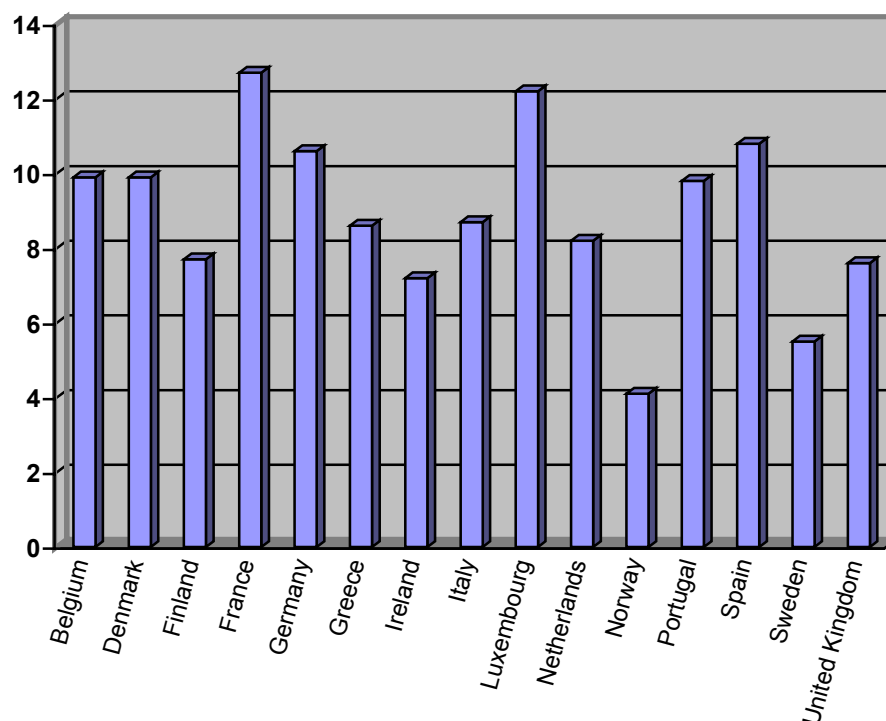
¹⁶ See www.amsterdamgroup.org.

¹⁷ However, as Johansson emphasises, these factors do not sufficiently explain why the temperance groups lost their influence in the English speaking cultures by the turn-of-the-century, and then definitively disappeared after the failure of the American prohibition in 1933. Further, it is also difficult to understand based upon these two factors why restrictive health and social policy oriented alcohol control policies were not developed in the English speaking countries like in the Nordic countries (2000: 19).

There are also vital cultural divergences in the conceptions of alcohol among the general public in the various member states. This is mainly due to historical and social differences. For instance, in many central and southern EU member states, alcoholic beverages, and particularly wine, form a part of daily nutrition. In the Nordic countries, distilled spirits have had a more dominant position, and alcohol has been, and still is, mainly used as a drug for intoxication. These differences may be recognised by studying various statistics on levels and patterns of consumption.

The recorded alcohol consumption in Finland, Norway, and Sweden in 1990 is compared with the consumption in the then twelve EU member states in Figure 3.3. It is clearly illustrated here how alcohol consumption in the Nordic countries is low compared to most EU member states.

Figure 3.3 Per capita alcohol consumption in 15 European countries in 1990 (litres of pure ethanol).



Source: World Drink Trends (1997).

The variations in levels of alcohol consumption must be complimented with information on other aspects related to the drinking patterns in the different countries. Research has shown that the prevalence of alcohol related harm is closely related to the per capita consumption in a society (Edwards, et al., 1994), but it has also been indicated that drinking patterns could matter more than the mere level of consumption (Rehm, 1999).

In Finland, Norway, and Sweden respectively 3.1, 1.2, and 1.3 per cent of the population (18 years and over) drank on average 6-7 times a week in 1990. The corresponding figure for France, Italy, and Portugal was 23.6, 43.7 and 31.3 per cent (Osservatorio Permanente sui Giovani e l'Alcool, 1994). It is also interesting to see that the proportion of people who reported never drinking in Portugal is two times higher than in the Nordic countries. In Finland, Norway, and Sweden, more than 50 per cent report drinking 2-3 times a month or once a month or less. In Portugal, less than 15 per cent fall in these two categories. These differences reflect the Nordic style of drinking: Large quantities on few occasions.

Nordic alcohol control policies must be viewed in relation to this distinctive drinking culture.¹⁸ Intoxication based drinking, i.e. drinking to drunkenness is an important part of the explanation of why alcohol is so controversial in the Nordic countries and why restrictive policies have been introduced. Social aspects related to acute alcohol related harm are here crucial. The harmful health consequences of more or less daily moderate drinking are less visible to the general population, although the link between overall level of alcohol consumption in society and chronic health problems is firmly established (Edwards et al., 1994).

In addition to these cultural and economic factors that have been elaborated upon above, there also exist more fundamental ideological differences between the different European countries. For instance, Nordic alcohol control policies reflect a

¹⁸ This specific drinking culture has been summed up as the Nordic trauma of “drinking least, but boozing the worst” (Johansson, 2000: 29).

long history of a firm belief in and commitment to state intervention. This tradition is stronger in the Nordic countries compared with most EU member states (see for instance Allardt, 1981). The alcohol control policies in Finland, Norway and Sweden can also be viewed in relation to the fact that women at a comparatively early stage were granted broad access to the political arena in these countries, and that the Nordic labour movement unlike in many other European countries regarded alcohol control as an element of the construction of the welfare state systems (Johansson, 2000).

The differences between the Nordic countries and the established EU member states that have been elaborated upon in this section will also provide as a background for our understanding of how Nordic alcohol control policies became affected in the meeting with the EU. Emphasis was given to the 1980s, leading up to the time when the EEA negotiations commenced in June 1990. This background will also provide useful in an attempt to identify changes in the approaches to alcohol and alcohol control in other EU member states in recent years.

3.3 Alcohol and Alcohol Control on the EU-level

3.3.1 Alcohol Control Measures on the EU Policy Agenda

As illustrated in Chapter 2, alcohol related questions and issues are widely spread in the administrative apparatus both vertically and horizontally. This is also the case if applying a EU perspective. However, alcohol is primarily viewed in an economic context, and the health and social policy considerations have been given a lower priority.

In the EU, alcohol is classified as an agricultural product with wine as the “paradigmatic case” (Lubkin 1996). Alcohol comes therefore in under the Common Agriculture Policy (CAP). Article 33 (formerly Article 39) of the EEC Treaty sets

out 5 objectives of CAP, among them increased agricultural production. This objective also includes wine. During the 1970s it became common to talk about a “wine lake” in the EU. This concept reflected an excess of production over consumption of these commodities. The concept of “alcohol policy” has therefore often been used to describe the various EU imposed programs and strategies to encourage to increased consumption and sale of wine (Commission, 1993a; Lubkin, 1996). This meaning of the concept is strongly contrasted with what it has signified in Finland, Norway and Sweden.

Alcohol has also been the focus of attention in connection with the efforts to approximate and harmonise the rates of excises and indirect taxes in the EU. Price convergence has been regarded as important for the establishment and functioning of the single market. The rates of excises on alcoholic beverages vary to a substantial degree between the EU member states, something that is manifested in the significant price disparities that were illustrated in Figure 3.1. Already in 1972 the European Commission presented the first set of proposals in order to harmonise the excises on alcohol (Commission, 1972a; b; c; d; and e). In spite of these efforts, harmonisation has proved problematic (Lubkin, 1996). This story will be returned to later, as these efforts have had an apparent impact on the Nordic countries.

Despite this focus on economic aspects, the need for common actions on alcohol viewed from a health and social policy perspective has also been expressed within the EU on several occasions. The first time alcohol was treated as an object of potential regulation rather than as a purely economic commodity was in a Council resolution from 1981. This resolution on consumer protection directly referred to the potential problems associated with use and abuse of alcohol (Council of Ministers, 1981). However, this resolution did not lead to any concrete political initiatives (Sutton and Nylander, 1999).

In connection with the “Europe against cancer” program that was launched in 1986, the Council, together with representatives of the national governments,

decided to “decrease alcohol abuse in the Community Member States through a joint initiative which takes into account the economic factor and public health concerns” (Council of Ministers, 1986). This initiative has however not been materialised in the establishment and adoption of any comprehensive common EU alcohol control policy legislation, and such processes are associated with severe obstacles and barriers (Scharpf, 1996). In spite of this, a Council Directive that restricts the advertising of alcoholic beverages was adopted in 1989 (Council of Ministers, 1989).

Initiatives have also been taken to establish a common and unified drink-driving limit across the member states. The proposal of the Commission in 1988 was however blocked by the Council (Commission, 1988). This topic became subject for further discussions in the 1990s, but also this time agreement on a common alcohol level limit seemed difficult to achieve (European Voice, 2000). However, the Commission issued a recommendation on the maximum permitted blood alcohol content for drivers of motorised vehicles in January 2001 (Commission, 2001).

The lack of policy initiatives has also been observed in the more general area of social policy and public health in the EU (Lebfried and Pierson, 1996). Policy making in the EU depends upon agreement between the national governments in the Council of Ministers. The rule of qualified-majority voting was intended to promote common policies, but the need for consensus still remains high as the veto remains available, and unanimity rule still continues to apply to a wide range of decisions. Lack of consensus is therefore the main reason for blockage of common EU policy initiatives. With regard to alcohol control this is particularly difficult due to the importance of these products for the economies in many member states.

Despite a highly disintegrated approach, some kind of alcohol control measures could be observed in most EU member states. However, on the EU policy agenda, alcohol control policy measures were during the 1980s almost absent. It is even

difficult to speak about a duality between health and social policy consideration on the one hand, and economic considerations on the other with respect to alcohol in EU policies. Alcohol was treated as an agricultural and industrial commodity, and in this context alcohol has been at centre of a number of disputes on the EU level. The role of the European Court of Justice is here crucial.

3.3.2 Alcohol and the European Court of Justice

The judges of the ECJ have ruled in a number of cases dealing with alcoholic beverages. As Lubkin (1996) illustrates, one key battleground of the jurisprudence on alcohol has been the area of discriminatory taxation, prohibited by Article 90 (formerly Article 95) of the Treaty establishing the European Community. As Easson points out, “no element of the national tax systems has produced so much litigation under Article 95/EEC as has the taxation of alcohol” (1993: 154). Another battleground has been related alcohol and the free movement of goods.

Some of the judgements concerning alcoholic beverages have been path breaking in EU developments. The Cassis de Dijon Case is a good example.¹⁹ In this case, the ECJ established the principle of mutual recognition of national standards, which should be understood as a ban on member states on excluding competing lawfully produced and marketed products from other member states for sale in their own country. This case was brought before the ECJ after Germany had prohibited import of Cassis de Dijon from France, after it had failed to meet the German minimum standards for alcohol content in cassis. While the Cassis de Dijon case has to do with the discriminatory treatment against imports and the free movement of goods within the EU, alcoholic beverages have also figured in much of the ECJ jurisprudence on discriminatory taxation. The Alcoholic Beverage Cases that were brought to the Court by the Commission against Denmark, France, Italy, and

¹⁹ Case 120/78: Rewe-Zentrale AG v. Bundesmonopolverwaltung für Branntwein.

Britain in the late 1970s have received substantial attention (Lubkin, 1996).²⁰ Each of these cases involved the principle of non-discriminatory treatment. The centrality of the Courts in EU governance is interesting viewed from a perspective of policy integration, and as we will return to later, the demands for doctrinal coherence may impact on the patterns and degrees of domestic policy integration.

3.4 Specification of the Substantive Policy Mismatch

The policy relationship with regard to alcohol and alcohol control between the Nordic countries on the one hand, and the established EU member states and the EU on the other, has here been referred to in terms of a substantive policy mismatch. Based on the analyses that have been carried out so far, the essence of this policy mismatch can be specified by reference to three aspects.

First, although some policy components seemed more loosely integrated than others, the broad range of alcohol control measures that have been introduced in Finland, Norway and Sweden constitute an integrated area of public policy, where the various policy components are largely internally consistent, interdependent and structurally connected. The focus has been on the whole population through a formalised network of statutory regulations aimed at reducing the total consumption of alcohol, and thereby also the prevalence of aggregate alcohol related harm in society. In the EU member states, the approach towards alcohol control is more disintegrated, and the focus has to a greater extent been given to reducing alcohol related harm in specific contexts or for specific social groups in society. The consistency and interdependence among the various measures are low, and there seems to be a lack of structural co-ordination in the administration of them. Informal, self-regulatory and self-imposed codes of regulations seem to be

²⁰ Case C-168/78: Commission v. France; Case C-169/78: Commission v. Italy; Case C-170/78: Commission v. UK; Case C-171/78: Commission v. Denmark.

more dominating. On the EU level, alcohol is treated as any other commodity, and common EU health and social policy oriented alcohol control measures has not been introduced and institutionalised.

Second, although alcohol control policy constitutes an integrated area of public policies in Finland, Norway, and Sweden, the picture must be refined along two dimensions. Some components seem more integrated in the overall policy network than others, and the patterns and degrees of policy integration vary between the three Nordic countries. Further, differences have also been observed between the established EU member states. The notion of a substantive policy mismatch with regard to alcohol control seems generally pertinent, and it seems particularly striking if comparing the three Nordic countries with the southern EU member states. In some northern member states the taxes and prices on alcoholic beverages are for instance quite high also by Nordic standards (Figure 3.1), and restrictive alcohol control measures have been introduced along several dimensions (Karlsson and Österberg, 2001).

Third, the policy network programs that have been adopted in relation to alcohol control in the Nordic countries must partly be viewed in relation to cultural factors and characteristics that are unique for Finland, Norway, and Sweden, but also partly as a unique response to a common problem for all EU member states. The Nordic intoxication based drinking culture with spirits as the traditionally predominant alcoholic beverages is associated with much acute and visible social harm. The more or less daily moderate drinking in many EU member states is also strongly linked with harmful health consequences. This harm is however less visible for the general population.

Each of these three aspects may be of importance in our analyses of how Nordic alcohol control policies have become affected by the decision to participate more closely with the EU, both in an EEA and EU membership perspective. The main point is that the notion of a substantive policy mismatch is viewed in relation to

contrasts in patterns and degrees of policy integration. Further, the question of whether the increased integration of the Nordic countries has led to changes and adaptations in relation to the approach to alcohol and alcohol control on the EU level should also be viewed against this background.

3.5 Policy Re-categorization in the Area of Alcohol Control Policy

The concept of policy re-categorization was described in Chapter 1 as a process by which existing components of a national public policy area become redefined or reframed against the background of predominant EU patterns of substantive and procedural standards, and thereby detached from the established context. These processes are likely to take place under different circumstances and conditions, but they were assumed to be of particular relevance in cases of substantive policy mismatches between the national and the EU level.

On a general level, market building has been identified as the principal project of the EU, and competition policy and the four freedoms have to a large degree gained constitutional force vis-à-vis the member states. This market focus has also been identified in relation to the way alcohol has been treated in the EU. The policy relationship with reference to alcohol and alcohol control between the Nordic countries on the one hand, and the established EU member states and the EU on the other, was therefore referred to in terms of a substantive policy mismatch. From the Nordic side, alcohol is primarily viewed from a health and social policy perspective, while in the EU alcohol is regarded as an ordinary economic commodity.

Recalling the theoretical discussion, this substantive policy mismatch was assumed to have certain implications for the way Nordic alcohol control policies would be affected in the meeting with the EU. By considering the various elements

constituting Nordic alcohol control policies as purely economic instruments, it was assumed that the cognitive structures associated with Nordic alcohol control policies could become challenged through processes of policy re-categorization. However, after considering the policy integration of the alcohol control policies in Finland, Norway, and Sweden, it became evident that also commercial and economic interests were of great importance there, and that some policy components could not be justified with reference to health and social policy considerations. This finding illustrates that policy re-categorization processes may be interpreted differently, and that the established context of policy measures should be a matter of investigation and not presuppositions. This acknowledgment will be central in the analyses of what happened to Nordic alcohol control policies in the meeting with the EU.

CHAPTER 4

NORDIC ALCOHOL CONTROL POLICIES IN THE MEETING WITH THE EU

4.1 Introduction

The political revolutions in Europe in the late 1980s that ended the Cold War contributed to changing the perceptions on the European integration process in Finland, Norway, and Sweden (Sæter, 1993). Combined with the dynamic developments that were taking place within the European Community (EC) during this period, increased and more formalised participation with the EC had suddenly become both more viable and appealing for each of the three Nordic countries (Laffan, 1993). This new atmosphere gave rise to two different processes, and negotiations on the establishment of the European Economic Area and on EC membership commenced in 1990 and 1993 respectively.²¹

These two processes will partly be dealt with collectively, as they to a large degree were overlapping and entangled across time and issues. For instance, both Finland and Sweden applied for EC membership before the EEA agreement had been signed, and the accession negotiations for all three countries commenced before the EEA Agreement had entered into force. Further, issues that had not been resolved during the EEA process were transferred and became subject for further discussions

²¹ The European Community (EC) was renamed the European Union (EU) at the time when the Maastricht Treaty on the European Union became effective from 1 November 1993. The Maastricht Treaty contained three pillars. First, it strengthened the EC. Second, it added a common foreign and security policy. Third, it established cooperation on justice and home affairs. The term EU has since then been used to describe the activities in all three pillars. The abbreviation “EC” will throughout this dissertation only be used when referring to elements specifically under the first pillar and to events that took place before 1 November 1993. Otherwise the abbreviation “EU” will be applied in the general discussions and analyses.

during the accession negotiations. This description of overlap and entanglement seems particularly striking if focusing on the area of Nordic alcohol control policies in the meeting with the EU.²²

The aim here is also to study the impacts of different types of attachments with the EU on domestic public policies. The fact that Finland and Sweden became full members of the EU from 1995, while Norway retained the EFTA membership as a majority of the Norwegian voters rejected EU membership in a referendum in 1994, makes it possible to also pursue this topic.

Nordic alcohol control policies have earlier been described in this dissertation and analysed by reference to policy consistency, interdependence, and structural connectedness. The various alcohol control policy measures that have been introduced in the Nordic countries were said to constitute an integrated area of public policy. However, loosely integrated components were also identified, and Finnish, Norwegian and Swedish alcohol control policies seemed to be differently integrated.

The task will now be to study how these policies became affected in the meeting with the EU. The impacts here must also be viewed in relation to the substantive policy mismatch with regard to alcohol and alcohol control that was identified between the Nordic countries on the one hand, and the established EU member states and the EU on the other. Contrasting patterns and degrees of policy integration were key in this mismatch. In order to analyse these impacts, attention will be paid in this chapter to the role Nordic alcohol control policies played in the negotiations on both EEA and EU membership. It will here be of major importance to identify how these policies were presented by the Nordic countries, as well as to elaborate upon what kind of attention these policies became subject to from the EU level.

²² A chronology over Nordic alcohol control policies and the EU is presented in Appendix 1 of this dissertation.

4.2 EFTA, EU and the Nordic Countries

Initiatives for a closer cooperation between the EU and the EFTA have been taken on several occasions throughout history, but the EC-EFTA ministerial meeting that was held in Luxembourg on 9 April 1984 proved a breaking point in this respect. The Luxembourg Declaration initiated a move away from the predominant tradition of bilateral and sectoral cooperation between separate EFTA countries and the EC to a more comprehensive multilateral cooperation (Pedersen, 1988). The Luxembourg process involved a wide range of areas of common EC and EFTA interests, but it was the poorly specified concept of the “European Economic Space” that became the focal point in this new cooperation initiative (EFTA, 1985). However, this concept was soon linked to the Commissions White Paper from 1985 on the completion of the internal market.

Then Commissioner Willy De Clercq outlined three principles that should compose the basic framework for the Luxembourg process (Commission, 1985). First, priority should be given to the EC internal integration. Second, the decision-making autonomy of the EC should be preserved. Third, the process should be based on a balance between benefits and obligations for the participants. These three principles were referred to as the “Interlaken principles”, and in a joint ministerial meeting in 1988 they became confirmed by each of the participants.

The Luxembourg process was initially described as slow, costly and inadequate (Gstöhl, 1996), but towards the end of the 1980s the process accelerated and the ambitions were raised. In a speech to the European Parliament in January 1989, then President of the European Commission proposed “a new, more structured partnership” between the EU and EFTA (Commission, 1989a: 17). This initiative was welcomed by the EFTA countries and only two months later a joint High-Level Steering Group was set up to deal more in detail with the aspects presented in Delors’ speech. The aim of this group was to reveal possible incompatibilities

between national and EC laws. The four freedoms, the free movement of goods, capital, services and persons, were key in this work.

The formal negotiations on the establishment of the European Economic Area commenced in June 1990. The EFTA states initially called for the “establishment of a joint decision-making mechanism” (EFTA, 1990: 51). However, the Commission emphasised that the three Interlaken principles from the Luxembourg process also should be applicable for the EEA cooperation, and that joint decision-making “would imply Community membership” (Commission, 1990a: 9). Further, it was decided that the *acquis communautaire* should constitute the legal basis for the EEA agreement. The EC would not accept permanent exceptions from the *acquis*, and only short transitional periods would be granted. In the end, the Nordic countries adopted what has been referred to as a maximalist position on the substance of the EEA Agreement, and “by buying the past” without asking for an extensive number of derogations from the Single Market regulations, the EFTA countries instead hoped to be able to influence the future (Gstöhl, 1996: 57).

The principal project of the European integration project has been said to be one of market building with the single market as the institutional centrepiece. If this description is valid for the EU, it is even more accurate for the EEA cooperation. The EEA Agreement was primarily meant to stimulate economic and not political integration among its partners. A wider political cooperation was associated with supranational integration, which in practice implied EU membership. The EEA Agreement therefore gave the Nordic EFTA members what they at that point of time had aimed for, economic integration into the internal market without becoming full members of the EU. The four freedoms of the internal market, as well as a wide range of accompanying Community rules and policies should be extended to the participating EFTA states.

The EEA Agreement was signed in Portugal in May 1992, and it entered into effect on 1 January 1994. The contracting parties to the agreement were originally the

European Community, the European Coal and Steel Community, the then 12 EU member states and the 5 EFTA states, Austria, Finland, Iceland, Norway and Sweden.²³

The EEA cooperation covers a number of issues that are not directly related to the four freedoms, as for instance: research and development, information services, environment, education and training, social policy, consumer protection, small and medium-sized enterprises, tourism, audio-visual services and disaster preparedness. The area of alcohol control policy was however not discussed in relation to these issues. Despite this, one of the two main pillars of Nordic alcohol control policies, the state alcohol monopoly systems, became subject for much attention prior to, during, and in the aftermath of the EEA negotiations. This prolonged process will be broken down into different phases. First, focus will be on how the three Nordic countries presented the alcohol monopoly systems in the negotiations with the EU. Second, we will outline how this issue was perceived and dealt with from the EU level. Third, the final outcome of this process will be outlined in greater detail.

After this, we turn to what happened with the other main pillar of Nordic alcohol control policies in the meeting with the EU, namely the high taxes and prices on alcoholic beverages. Also this aspect of Nordic alcohol control policies has become the centre of much attention in recent years, and this issue will be presented along the same lines as the monopoly issue.

Although that the focus in this chapter will be on what has been referred to as the two main pillars of Nordic alcohol control policies, these policy subunits will be viewed in relation to the overall policy area they form parts of throughout these analyses.

²³ Liechtenstein became an EFTA member in 1992, and signed the EEA Agreement in May 1995.

4.3 The State Alcohol Monopoly Systems

4.3.1 The Nordic Version: Instruments of Health and Social Policy

Prior to and during the EEA negotiations, representatives from Finland, Norway, and Sweden discussed among themselves whether the established state monopoly systems could be maintained, and whether this issue should be incorporated in the negotiations with the EU. The health and social policy aspects were clearly brought forward in these internal discussions (Informants).

Based on a common ambition to retain the established alcohol monopoly systems, the Finnish, Norwegian, and Swedish governments agreed to keep this issue off the agenda in the EEA negotiations that commenced in June 1990. As one of the informants puts it, “it was better to let sleeping dogs lie” (Informant). A Nordic declaration was however attached to the final agreement that was signed in May 1992. This declaration reads:

“Without prejudice to the obligations arising under the Agreement, Finland, Iceland, Norway and Sweden recall that their alcohol monopolies are based on important health and social policy considerations” (Appendix 1 to St.prp. nr. 100, 1991-92: 428).

This declaration had no legal bearing upon the Agreement, but the Nordic countries hoped it would serve a political purpose. Both the fact that this declaration was written, as well as its cautious wording signalled that the Nordic governments expected, or at least feared, that this could turn out to be a controversial issue.

Norway has been identified as the main architect behind the common Nordic

approach to this issue (Informants). Among the three, Norway was the only country that had experience from EC accession negotiations, and although the state of the law had been changed dramatically within the EC during the last decades, it was attached importance to the fact that the state alcohol monopoly systems were regarded as compatible with the EEC Treaty in 1972 (St. meld. nr. 50, 1971-72; Informants).

By accepting the EC *acquis communautaire*, the Nordic countries had also accepted Article 16 of the EEA Agreement, which obliged the contracting parties to “ensure that any state monopoly of commercial character” would be adjusted so that no discrimination regarding the conditions under which goods are procured and marketed exist. Article 16 of the EEA Agreement corresponds to Article 31 (formerly Article 37) of the Treaty establishing the European Community.²⁴ Further, Article 16 must be considered in relation to Articles 11 and 12, which provides that quantitative restrictions on imports and exports are prohibited between the contracting parties. Articles 11 and 12 correspond to Articles 28 and 29 (formerly Articles 30 and 34) of the Treaty establishing the European Community.

On the other hand, Article 13 of the EEA Agreement, which corresponds to Article 30 (formerly Article 36) of the Treaty establishing the European Community provides that the provisions of Articles 11 and 12 shall not preclude prohibitions or restrictions on imports, exports or goods in transit justified on grounds of public morality, public policy or public security; the protection of health and life of humans, animals or plants; the protections of national treasures possessing artistic, historic or archaeological value, or the protection of industrial and commercial property. In internal discussions, representatives from the Nordic countries saw this

²⁴ The Articles in the Treaty establishing the European Community was reordered and renumbered after the Treaty of Amsterdam entered into force in 1999. In this dissertation, the new numbers are used consequently while the old numbers are put in parenthesis the first time they appear in the text.

article in connection with the state alcohol monopoly systems. It was believed that, if questioned or challenged, the comprehensive and unified state alcohol monopoly systems could be justified on grounds of protecting the health and life of humans (Informants).

Through the unilateral declaration that was attached to the EEA Agreement, the Nordic countries emphasised that the state alcohol monopoly systems were based on health and social policy considerations, and that they should therefore not be regarded as commercial and economic instruments. However, as illustrated in Chapter 2 of this dissertation, sources of inconsistencies and gaps between the health and social policy justification and the actual practices of the Nordic state alcohol monopoly systems were identified along several dimensions. Alcoholic beverages were treated differently according to beverage type and origin, and there seemed to be a source of inconsistency in relation to the contrast between the monopolies' domestic and foreign activities. Some of these activities and practices were clearly discriminatory and could not be justified with reference to health and social policy considerations, where the overriding aim was to reduce alcohol related harm in the society. They could instead be regarded as being motivated by purely commercial and economic interests.

Awareness of these discriminatory practices was evident in the Nordic countries, and initiatives were also taken to remove some of them at an early point in this process. For instance, in Norway an amendment to the alcohol law that abolished Vinmonopolet's sole right to the import and wholesale of foreign produced beer was introduced during the EEA negotiations on its own initiative (Ot.prp. nr. 70, 1991-92). This amendment was undertaken in order to cease what could be perceived as discrimination against foreign produced beer (Innst. O. nr. 8, 1992-93).

The monopoly on wholesale trade of strong beer was also regarded as problematic in Sweden (Regeringens proposition 1991/92: 170), and it was also proposed

remedied through a legislative reform (Regeringens proposition 1992/93: 253). According to the Swedish government, this proposal would eliminate the discrimination between domestic and foreign producers. However, the proposal was defeated in the parliament.

The policy components that were aimed adjusted in Norway and Sweden can be regarded as being weakly linked to the objective of reducing alcohol related harm in society. As illustrated in Chapter 2, the monopolies on import, export, wholesale, and production could in general be thought of as being weakly linked with the main objective of reducing alcohol related harm. Nonetheless, by June 1990 when the EEA negotiations commenced, the governments of Finland, Norway and Sweden seemed to regard these monopoly functions as compatible with the stipulations of the EEA Agreement. They were viewed as an integral part of their health and social policy oriented alcohol control policies, and they were further perceived as non-discriminating.

Based on this, the three Nordic countries had decided to leave the alcohol monopoly issue outside the negotiations with the EU, and that they would present a common front against the EU if some of the monopoly functions were to be challenged (Informants).

It should however be emphasised that even if the Nordic countries had decided to maintain each of the monopoly functions, the retail monopoly was at this stage in the process regarded as a less problematic and controversial issue than the remaining monopoly functions both by politicians and civil servants in the three countries (Informants; see also Bræin, 1998).

4.3.2 The EU Version: Monopolies of a Commercial Character

The EU did not comment on the Nordic declaration in connection with the EEA negotiations, but it did not take long after the signing of the EEA Agreement before

the alcohol monopoly systems became challenged by reference to Article 31 of the Treaty establishing the European Community, which concerns state monopolies of a commercial character.

The EEA Agreement was portrayed by many observers as a transitional arrangement on the road to full EC membership, and applications were one by one submitted by three of the four Nordic EFTA states (Sweden in July 1991, Finland in March 1992 and Norway in November 1992).²⁵ On receipt of the membership applications, the Council of Ministers had asked the European Commission to submit an opinion about the applicants. In these opinions, the state alcohol monopoly systems in Finland, Norway, and Sweden were given much attention.

In the advisory opinion on the Swedish application that was presented in July 1992, the Commission claimed that: “On the basis of the information gathered, it is found that Sweden has State monopolies of a commercial character for alcohol, pharmaceuticals, electricity and natural gas” (Commission, 1992a). In Part Two of this opinion, under the heading “competition”, the Commission further adds with reference to the state alcohol monopoly system that: “the justification for applying these exclusive rights is that they are means of combating alcoholism and protecting public health”. However, “the Commission is of the opinion that the health objective of the alcohol monopoly could be achieved by means which were less obstructive of competition” (Commission, 1992a).

The Finnish government received the same message from the Commission on 4 November 1992 (Commission, 1992b), and the Norwegian government on 24 March 1993 (Commission, 1993b). Even if these opinions were delivered in response to the applications for EU membership, the Commission referred to the adjustments needed also on the basis of the obligations of the EEA Agreement.

²⁵ Iceland did not apply for EU membership together with the other Nordic EFTA countries.

From these opinions, it is difficult to form a clear picture of precisely which aspects of the state alcohol monopoly systems that were regarded as most problematic, and what measures that would be required by the EU in order to rectify the situation. For instance, it was uncertain at this point in time whether the retail monopolies could be maintained. What seemed clear was that the state alcohol monopoly systems in all three countries had become re-categorized from instruments of health and social policy, to instruments of a commercial character. The link between the monopoly systems and the health and social policy justification was regarded as weak, and it became evident that the EU wanted more substantial adjustments of the monopoly systems than the Nordic governments initially had hoped for. The national responses to this new situation were highly contrasting.

4.3.3 A Partial De-monopolisation: Nordic Discord and Separate Adaptations

In March 1992, a Finnish committee under the Ministry of Social Affairs and Health had been appointed in order to study and evaluate the future of the Finnish state alcohol monopoly system viewed from a EU perspective. Only two days after the Commission had submitted its opinion on the Finnish membership application, this committee delivered its first recommendation (Finnish Ministry of Social Affairs and Health, 1992). According to this committee, the Finnish import, export and parts of the wholesale alcohol monopoly had to be abolished, as it was found to be incompatible with the EEA Agreement.

The committee claimed that this was necessary in order to bring the monopoly system in accordance with the EEA Treaty. Further, the committee regarded that these monopoly functions were not very important viewed from a health and social policy perspective (Finnish Ministry of Social Affairs and Health, 1992: 8). This proposal soon became the Finnish official policy concerning this question. This conclusion also seemed to be supported by the management of the state owned alcohol monopoly. By intervening in the process, the general director of Alko had earlier claimed that the changes that had to come sooner or later would not appear

to be so “rapid and powerful” (Alko, 1991).

The official responses to the Commissions’ advisory opinions gave further signals of a break in the common Nordic approach on how to deal with this issue. The responses were presented when the Nordic countries officially entered into the accession negotiations. While the Finnish Minister for Foreign Trade, Pertti Salolainen did not make any direct references to the alcohol monopoly issue in his speech, the Swedish Minister for European Affairs and Foreign Trade, Ulf Dinkelspiel declared that the “alcohol monopolies were based on important health and social policy considerations” and that “these arrangements are a strategic part of a comprehensive policy aiming at reducing the total consumption of alcohol”. However, he also emphasised that: “The alcohol monopoly structure should not, of course, discriminate or distort competition in conflict with the stipulations of the Treaty of Rome”.²⁶ The Norwegian Minister for Trade, Bjørn Tore Godal admitted that some adjustments had to be made, but ascertained that: “The alcohol monopoly will continue to be an important part of our alcohol and health policies”.²⁷ Also Godal emphasised that the monopoly system had to be viewed as only one element of a wider policy area.

At this point, the defence of the established state alcohol monopoly system seemed to be strongest in Norway and Sweden. In these two countries, initiatives to undertake some smaller adjustments had been taken in order make the monopoly systems compatible with the EC Treaties by eliminating discriminatory practices. The Finnish government seemed ready to undertake more substantial changes, which included the elimination of several state alcohol monopoly functions.

²⁶ Statement at the opening of Sweden's accession negotiations, 1 February, 1993, by the Swedish Minister for European Affairs and Foreign Trade, Ulf Dinkelspiel. Stockholm: Ministry of Foreign Affairs.

²⁷ Statement at the Ministerial Meeting opening the negotiations on the accession of Norway to the European Communities, 5 April 1993, by the Norwegian Minister for Trade, Bjørn Tore Godal. Oslo: Ministry of Foreign Affairs.

4.3.4 The Monopoly Issue on the Domestic Arenas

The Political Elites

The integration process was followed carefully in the three countries, but the alcohol monopoly issue received different attention on the domestic arenas. The EEA Agreement was ratified in the Nordic parliaments during the autumn of 1992, only a few weeks after the Commission had presented their advisory opinions on the Finnish and Swedish membership applications.

The Finnish Parliament adopted the agreement with wide margins. Even most of the so-called “Euro-sceptics” voted in favour of the EEA Agreement, and considered it at that time to be a suitable alternative to full EU membership. In Sweden, more than 90 percent of the parliamentarians voted “yes” to the agreement (Ugland, 1996). The situation was different in the Norwegian case. The opponents of the EEA Agreement needed 42 of 165 votes in all to block the required three quarters’ majority, and the outcome of the voting was largely dependent upon the “EEA-sceptics” from the Christian Democrats (Kristelig Folkeparti) and the Labour Party (Det norske Arbeiderparti). After a prolonged and emotional debate in the parliament, the agreement was adopted against 35 votes (Ugland, 1996).

The state alcohol monopoly issue played very different roles in the debates in the three parliaments prior to the ratification. In Finland and Sweden, independent committees had been appointed in order to evaluate the impacts of the EEA Agreement and the ongoing integration process on the established state alcohol monopoly systems. In Finland, the committee that was preparing the reform of the Finnish Alcohol Act had already issued a preliminary recommendation, in which it was concluded that the import, export, and parts of the wholesale monopolies had to be abolished. The link between the overriding alcohol control policy objective and this policy component was regarded as weak, as the committee claimed that the abolition of these monopoly functions would not directly have very important health and social policy consequences (Finnish Ministry of Social Affairs and

Health, 1992: 8). This conclusion did not invoke any opposition in the parliament in connection with the ratification process.

Neither in Sweden did the alcohol policy issue play a major role. Both the Swedish Parliament and the government were presuming that the established monopoly system could be maintained, and the EEA Agreement was even ratified before the parliamentary committee had concluded their work.

The situation in Norway was strikingly different. The balance of power in the Norwegian Parliament resulted in a situation in which the Christian Democrats, the strongest supporter for a restrictive alcohol control policy, got a key role. While the party was almost unanimously opposed to full membership in the EU, also with regard to the EEA Agreement its scepticism was profound. If the entire parliamentary party group had opposed the agreement, the required majority would not have been met. After a strong appeal by the party leader to vote for the agreement, only three members of the party group voted against it in the decisive ballot. The representatives who followed their party leader's request attached decisive importance to the assurances from the social democratic government (the Labour Party), which on several occasions had claimed that the established alcohol monopoly system would be maintained (see Ugland, 1996). All in all, the Norwegian government's assurances on maintaining the established monopoly system were therefore crucial in order to ensure the ratification of the EEA Agreement (Ugland, 1996). Due to the fact that this issue became so central in the ratification process, the Norwegian government had undertaken a comparatively stronger commitment towards the parliament than was the case in Finland and Sweden. This commitment followed the Norwegian government in the negotiations on EU membership.

In both Norway and Sweden, the Ministry of Health and Social Affairs and other relevant Ministries stood together behind the objective of maintaining the comprehensive and unified monopoly systems (Informants). In Sweden, there

seemed to be some divergences in opinion between the Ministry of Health and Social Affairs and the Ministry of Foreign Affairs at an early point in this process, but these tensions disappeared when the common Nordic position became established. In this way, the Swedish Ministry of Health and Social Affairs received support for its views from Norway, where both Ministries seemed fully committed towards maintaining each of the state alcohol monopolies (Ugland, 1996; Bräin, 1998, Informants).

In Finland, representatives from the Ministry of Social Affairs and Health claimed that they never would have received support from the Ministry of Foreign Affairs for a similar solution (Informants). Also other ministries in Finland were involved in this process, and the decision to abolish the import, export and parts of the wholesale monopolies could, according to Henrik Räihä at the Finnish EU-delegation in Brussels, be regarded as a “compromise between the conservative line of the Ministry of Social Affairs and Health, and the liberals in the Ministry of Trade and Industry ((my translation) Stenius, 1993: 365).

The Monopolies

The role of the state alcohol monopoly systems was markedly different in the three countries. As earlier mentioned, the Finnish Alko seemed to support the conclusion of the committee that had been appointed by the Ministry of Social Affairs and Health (Koski, 1992).²⁸ Already in August 1990, the general director of Alko stated very clearly that the import monopoly had to be abolished as a consequence of Finland’s participation in the European integration process (Virtanen and Hentilä, 1990). The abolition of the import, export and the wholesale monopolies was not regarded as problematic. In late 1992, he claimed that the retail monopoly was more important viewed from health and social policy perspective than the remaining monopolies, which he now referred to as the: “foreign-trade-

²⁸ This committee was appointed by the Finnish Ministry of Social Affairs and Health upon Alko’s initiative.

monopolies” ((my translation: “utenrikeshandelsmonopolene”) (Koski, 1992: 338).

In Norway, the management of the state alcohol monopoly has been described as loyal towards the Norwegian government in the EEA and membership process (Bræin, 1998). Vinmonopolet seemed to support the government’s strategy of undertaking smaller changes in order to eliminate discriminatory practices with the purpose of maintaining the comprehensive and unified monopoly system. The labour union was however not as optimistic as the management of Vinmonopolet or the Norwegian government, and fears of a possible elimination of the import and wholesales monopolies were expressed (see Bræin, 1998). Nonetheless, the labour union at Vinmonopolet was cooperative, and the relationship between the management and the staff was good.

The Swedish situation was more complex. In September 1990, the general director of Vin & Sprit was asked about how he thought the Swedish monopoly system would look in the year 2000. In his response to this question he came with the following prediction: “If Sweden becomes a member of the EU, I believe that the retail monopoly has been maintained, but that Sweden on its own accord has abolished the import and production monopolies” ((my translation) Stenius, 1990a: 205). He further claimed that neither the management nor the staff of Vin & Sprit would mind such an outcome. The general director of Systembolaget on the other hand claimed that it was crucial that each of the monopoly functions were maintained (Stenius, 1990a).

The contrast between the three Nordic countries is here striking. While the management of the Finnish monopoly system at an early point in the process openly supported a partial de-monopolisation, both the management and the staff of the Norwegian Vinmonopolet wanted to maintain the unified monopoly system. In Sweden, the management of the two state alcohol monopolies differed on this question.

The Temperance Movements

When talking about domestic actors that traditionally have expressed their interests in alcohol control policy issues, the contrasting roles of the Finnish, Norwegian and Swedish temperance movements are here interesting. In 1989, the movements had adopted a common campaign, which requested that the Nordic governments protected what they called the four pillars of their alcohol control policies; the monopolies, high prices, customs restrictions to stop illegal flows of alcohol, and public information (Warpenius and Sutton, 2000). Despite this common appeal, the temperance movements in Finland, Norway, and Sweden played different roles on the domestic arenas in relation to this issue. The Finnish temperance movement was the least active in relation to the integration process, while the Norwegian movement was the most active.

The Norwegian Temperance Alliance perceived that it was their responsibility to ensure that alcohol control policy issues were integrated in the domestic debate on European integration, but also to lobby for raising awareness about alcohol related harm on the EU level (Kolstad, 1990). The Norwegian Temperance Alliance was for instance strongly involved in the process of establishing a permanent lobby office in Brussels. This work commenced in 1989 and 1990, and since 1995 the Norwegian Temperance Alliance has been permanently represented in Brussels in order to promote alcohol control policy issues on the EU arena. The Swedish temperance movement did not take part in these lobbying activities in Brussels, although that they were approached and invited to do so by the Norwegian counterparts (Informant). The Swedish movement was more active and oriented towards the domestic arena.

In Sweden, the temperance movement very early in the process claimed that: “500 000 members would vote *no* in the referendum if the monopoly system was not left in tact”.²⁹ However, the number of members referred to here can be questioned, and

²⁹ Dagens Nyheter, 16. January 1990.

as Sutton and Olsson Hort (1996) emphasise, most temperance organisations did not endorse an official position prior to the decisive referendum in the autumn of 1994. Despite this, while the Finnish temperance movement was almost absent in the debates on European integration, both the Norwegian and the Swedish movements were acting as “watchdogs” over their politicians in the EEA and membership process.

4.3.5 Finnish and Swedish Exchange of Letters with the Commission

During the accession negotiations that commenced in early 1993, Finland, Norway and Sweden were invited to engage in an exchange of letters in order to find a solution that would bring the alcohol monopoly systems in accordance with the EC law. This invitation illustrated the break in the common Nordic approach towards this issue more clearly, and the mutual passivity from the EEA negotiations was from then on replaced by three very different strategies. Sweden accepted the invitation and was from that time in direct dialogue with the EU. Norway turned it down, and continued to refrain from discussing the matter. The Finnish political authorities had at that time already chosen a separate strategy, which has been described as “self-imposed adaptation to what was understood to be EC law” (Holder et al., 1998: 33).

In the exchange of letters between the Commission and the Swedish government, the demands from the EU were specified, and the challenge of the state alcohol monopoly systems became refined. The Commission now claimed that the exclusive import, export, wholesale and production rights had to be abolished, while the retail monopoly under certain conditions could be maintained.³⁰

In this phase, the efforts of the Swedish government had been focused on retaining the state monopolies on retail sales of alcoholic beverages. This monopoly function

³⁰ Letter from Commissioner H. van den Broek to the Swedish Minister for European Affairs and Foreign Trade, Ulf Dinkelspiel, dated 20 December 1993.

was regarded as the most important viewed from a health and social policy perspective (Informants), and in December 1993, both the Finnish and Swedish governments agreed to partially abolish the state alcohol monopoly systems.

The Norwegian government turned down the invitation from the EU to settle the disagreement. The non-negotiation line that had been adopted by the Norwegian government was instead upheld despite the failure of the Swedish government to achieve a solution that implied that each of the monopoly functions could be maintained.

The Swedish decision to enter into direct negotiations with the Commission over the alcohol monopoly issue evoked both disappointment and irritation in Norway (Informants). It implied both that the Nordic cooperation on this issue had ended, and also that the Norwegian government was left alone in its defence of the established alcohol monopoly system.

Some new regulations concerning the purchasing procedures of Vinmonopolet were issued on the same day as the Swedish government reached the agreement with the Commission on 21 December 1993. The main point here was that the purchasing procedures of Vinmonopolet should be based on “ordinary commercial terms” and that domestic products should not be given preferential status (Norwegian Ministry of Health and Social Affairs, 1993). The Norwegian strategy was still aimed at eliminating discriminatory practices in order to protect the comprehensive and unified monopoly system.

4.3.6 Norwegian Exchange of Letters with the ESA

Despite the Norwegian government’s unwillingness to enter into an exchange of letters with the Commission, the agreement between Finland and Sweden on the one hand, and the Commission on the other also had consequences for Norway. The European Commission informed the upcoming president of the EFTA

Surveillance Authority (ESA) about the agreement, which in turn led to an exchange of letters between ESA and the Norwegian government.³¹

In a letter to the Norwegian government dated 7 January 1994, only a few weeks after Finland and Sweden had agreed to abolish the import, export, wholesale and production monopolies, the EFTA Surveillance Authority made a request for information about the Norwegian alcohol monopolies. The response to ESA's letter was presented in a letter from the Norwegian government dated 16 February 1994. This letter starts out by giving a general and detailed description of the Norwegian alcohol control policy. It is presented as a comprehensive and cohesive area of public policy that has long historical roots, and which has broad political support in Norway. It was also emphasised that especially two types of measures have been employed in order to curb consumption in society; measures aimed at curbing availability and measures aimed at reducing demand. The alcohol monopoly system was here said to be the main instrument in order to reduce availability. After this general introduction where focus was given to the general area of public alcohol policy, the letter proceeded to deal with the details of the Norwegian state alcohol monopoly system.

The response from ESA indicated a clear mismatch in style and content. The concept of "alcohol control policy" was not mentioned. Instead, ESA claimed that since no transitional period is provided for, Norway should have adapted its alcohol monopoly by the entry into force of the EEA Agreement as of 1 January 1994. It was emphasised that according to Articles 11, 12, and 16 of the EEA Agreement, the import, export, and wholesale monopolies had to be abolished, and that the institutional link between the retail monopoly and the monopoly on production had to be removed.

³¹ This letter was dated 22 December 1993. The fact that the EEA Agreement had not entered into effect at that date may illustrate the impatience that the Commission felt towards the Norwegian government in relation to this issue. The upcoming ESA president was surprised by the fact that this letter was sent before the EEA Agreement had become effective (Informants).

This pattern could also be recognised throughout this letters of exchange. In the Letter of Formal Notice, which initiated the formal proceedings, ESA made the following statement without further comments: “The Norwegian Government maintains that its alcohol monopoly is based on important health and social policy considerations”.³² This can be regarded as a standard response in a formal proceeding like this. The mismatch in style in this letter of correspondence can be characterised as a mismatch between technical argumentation for doctrinal coherence from ESA’s side, while the Norwegian government engaged in substantive debates about the desirability of various policy outcomes. This kind of logic has in general been associated with disputes over social policy issues in the EU (Leibfried and Pierson 1997: 205).

In a letter dated 5 October 1994, the Norwegian government maintained its view that the established monopoly system could be maintained as the requirements of the EEA Agreement had been met. The Norwegian position can be summarised as follows: Since Vinmonopolet was non-discriminatory and did not distort competition it was regarded compatible with Article 16 of the EEA Agreement. With reference to Article 11, it was claimed that Vinmonopolet’s exclusive rights could be justified with reference to Article 13. However, ESA was not satisfied with this answer, and ESA’s final decision was declared in a Reasoned Opinion dated 30 December 1994. This was the last step before the matter would be brought before the EFTA Court. In this Reasoned Opinion, ESA presented a new element that supported its view. The new element was a decision by the EFTA Court on 16 December 1994.³³

In this judgement, the EFTA Court held with reference to Article 16 that:

³² Letter from ESA to the Norwegian government dated 20 July 1994.

³³ Case E-1/94 Ravintoloitsijain Liiton Kustannus Oy Restamark.

“Article 16 EEA must be interpreted as meaning that, as from 1 January 1994, every State monopoly of a commercial character not covered by Protocol 8 EEA must be adjusted so as to eliminate the exclusive rights to import the goods the subject of the monopoly into a Contracting Party from other Contracting Parties”

This view implied that the import monopoly was regarded as discriminating per se, and with reference to Article 11, it further held that:

“Article 11 EEA must be interpreted as precluding a national measure which confers on a statutory State monopoly the exclusive right to import alcoholic beverages falling within the product coverage of the EEA Agreement and originating in the Contracting Parties (...). Neither can such measure be justified under article 13 EEA merely because they form a part of an alcohol policy aimed at minimizing the harmful effects to health of consumption of alcoholic beverages, since this objective can be achieved by measures which are less restrictive of the free movement of goods”³⁴

The principle of proportionality is here key, and the Court claimed that a monopoly on import of alcoholic beverages must be regarded as disproportionate to the aim of protecting health.

The way the Restamark case was interpreted by the ESA in the reasoned opinion was that the application of Article 11 of the EEA Agreement is not conditional upon proof that the measure in question actually restricts imports; it is sufficient

³⁴ Ibid.

that it “potentially has an effect on trade”.³⁵ This means that the monopoly on import of alcoholic beverages would be regarded as discriminating regardless of how it was actually operating.

In a letter a letter dated 13 February 1995, the Norwegian government informed ESA that also Norway would eliminate the monopoly functions that Finland and Sweden had agreed to eliminate in December 1993. The judgement by the EFTA Court in the Restamark case was of vital importance for the Norwegian government’s decision to comply with ESA’s demands without bringing the matter to the EFTA Court (Informants). This judgement also contributes to understanding why the Norwegian government did not let the monopoly issue go before the EFTA Court, which many actors on the domestic arena assumed would happen. A representative from the Christian Democrats clearly expressed that the government had given in too easy (Ugland, 1996), and even the management at Vinmonoplet had expected that the matter would end up before the EFTA Court (Bræin, 1998).

The result of this process was that a new licensing system, which increased the power of the private actors in the alcohol market, was introduced from 1 January 1995 in Finland and Sweden, and from 1 January 1996 in Norway.

4.3.7 Continuation of the Retail Monopolies: Towards a New Nordic Accord

In 1995, when Finland and Sweden entered into the EU as full members, the future for the off premise retail monopolies rested upon a political understanding that the Finnish and Swedish governments had agreed upon with the Commission:

“Without prejudice to future jurisprudence of the Court of Justice and the Commission’s role as guardian of the Treaty on European Union, the Commission does not see any reason

³⁵ Letter from the ESA to the Norwegian Government dated 30 December 1994 (reasoned opinion).

to proceed on its own initiative, either now or after the Swedish accession to the Union, against the maintenance of the retail monopoly on the basis of current acquis”³⁶

This political understanding also formed the basis for the future of the Finnish and the Norwegian retail monopolies. However, the question of the Swedish retail monopoly’s compatibility with EC law was brought before the European Court of Justice (ECJ) a short time after this understanding was reached.³⁷

4.3.8 The Swedish Retail Monopoly before the ECJ

The case arose after a Swedish shopkeeper sold wine in his grocery shop, with reference to the principle of the free movement of goods within the EU. Swedish law prohibited this kind of activity, but the District Court of the Swedish town of Landskrona asked the ECJ for a preliminary ruling on whether the monopoly on retail sales was compatible with the EC law.

When a case like this is brought before the Court, all parties, the member states and the Community institutions may submit their written observations on the matter to the Court. In a statement given to the ECJ, the Commission did not consider the retail monopoly’s activity contrary to Community law. The opinions of the Finnish, the French and the Swedish governments were in line with the overall conclusion of the Commission. Norway as an EEA partner was also invited to submit its opinion, and also the Norwegian government considered Systembolaget to be compatible with EC law.

The written observations were then followed by oral hearings and an opinion by an

³⁶ Letter from Commissioner H. van den Broek to the Swedish Minister for European Affairs and Foreign Trade, Ulf Dinkelspiel, dated 20 December 1993.

³⁷ Case C-189/95 Allmänna Åklagaren v Harry Franzén.

Advocate General of the ECJ. In this specific case, Advocate General, Michael Elmer delivered his opinion on 4 March 1997, where he concluded that the Swedish retail monopoly in fact was incompatible with both Article 28 and 31 of the Treaty establishing the European Community. In his view, the retail monopolies could not be justified by reference to Article 30, as the protection of people's life and health could be achieved by means that do not restrict the free movement of goods to the same degree as the state monopolies. Again the principle of proportionality was key.

With reference to articles 28 and 31, the Advocate General further questioned for the first time in this process the legitimacy of the objective of reducing the consumption of alcohol. He claimed that: "The sales of alcoholic beverages in Sweden would have been substantially higher without the restriction in availability that the state monopoly system contributes to" (my translation).³⁸

The mismatch concerning the view on alcohol and alcohol control was clearly reflected in the response to this opinion from the Swedish Minister for Health and Social Affairs, Margot Wallström. "This is the purpose of the state retail monopoly and the Swedish alcohol control policy. The Advocate General confirms that our alcohol control policy is effective in restricting alcohol consumption ((my translation) Wallström, 1997).

The Nordic governments were kept in great suspense after the opinion of the Advocate General, and one of the key questions and uncertainties concerned whether the Swedish state alcohol monopoly should be viewed against both Article 28 and 31 (see Graver, 1997).

The judgement, delivered by the 15 judges of the ECJ on 23 October 1997, was not in agreement with the opinion of the Advocate General. The state monopoly on

³⁸ Opinion by Advocate General Michael B. Elmer in case C-189/95 (*Allmänna Åklagaren v Harry Franzén*), 4 Mars 1997.

retail sales was only viewed in relation to Article 31, and not in relation to Article 28. The ECJ held that the Swedish state alcohol monopoly could be maintained as it was considered to be neither discriminatory nor liable to put imported products at a disadvantage. The ECJ emphasised that the Swedish retail monopoly pursues a public health aim. However, whether the retail monopoly system was proportionate with respect to the objective of protecting public health, was not evaluated by the Court, instead the principle of non-discriminatory or equal treatment was this time the focus of the Court's attention.

Which principles that become centre of attention by the ECJ are often uncertain, and this touches on an interesting and dynamic relationship between politics and law when studying the role of the Courts (see also Brofoss, 1994, Bræin, 1998).

The judgement in Case C-189/95 also served as a guide for Finland and Norway. However, the validity of the Norwegian retail monopoly system has also been challenged, which in turn has resulted in rulings by the EFTA Court.³⁹

4.3.9 The Norwegian Retail Monopoly before the EFTA Court

Case E-6/96 (Tore Wilhelmsen AS vs. Oslo Kommune) concerned the validity of the exclusive right of the Norwegian retail monopoly (Vinmonopolet) to sell strong beer. In this case, the EFTA Court held that such an arrangement was compatible with the EEA Treaty, and therefore could be maintained.

The Court held that that the Norwegian practices could be said to be discriminatory and thereby prohibited by Articles 11 and 16 of the EEA Treaty. However, under Article 13, restrictions on the free movement of goods can be justified when necessary and proportionate with respect to the protection of health and life of

³⁹ Case E-6/96 (Tore Wilhelmsen AS and. Oslo Kommune), and Case E-1/97 (Fridtjof Frank Gundersen and Oslo Kommune).

humans. In this case, the EFTA Court found that Article 13 was applicable.

This judgement was path-breaking in the sense that the health considerations were strongly emphasised, and that the retail monopoly was not regarded as a disproportionate measure in order to protect public health. This judgement was delivered in June 1997, about two months before the judgement of the ECJ in case C-189/95. However, the health arguments were not the decisive element for the maintenance of the Swedish retail monopoly, and the question of proportionality was not considered by the ECJ.

In December 1997, the EFTA Court delivered another judgement concerning the validity of the Norwegian retail monopoly (Case E-1/97 Fridtjof Frank Gundersen vs. Oslo Kommune). The question in this case was if the exclusive right of the retail monopoly to sell wine was compatible with the EEA Agreement. While wine in Norway can only be sold off-premise by the state monopoly, beer with a lower alcohol content than 4.75 percent by volume can be sold in ordinary grocery shops that hold a valid license. Gundersen claimed that this system implied that wine imported from EU and EFTA member states was discriminated against in relation to medium beer. Both ESA and the Commission supported Gundersen in their written statements. In spite of this, the EFTA Court departed from these opinions, and held that the monopoly on sale of wine could be maintained.

Based upon the judgement in Case C-189/95, the validity of the Norwegian retail monopoly should be viewed against Article 16, while Article 13 should not be considered. Although the Court held that the Norwegian system could lead to discrimination contrary to Article 16, the Court concluded that it must: "lie within the discretion of the Member States to use alcohol content of a product as a basis for differential treatment. This is true even if the chosen dividing line affects domestic and foreign production differently, provided that the dividing line is not

set with a view to protecting domestic production”.⁴⁰

In spite of the fact that the overall structures of the retail sales monopolies have been retained as such arrangements were found to be compatible with the EC legislation, these court cases illustrate how the EU has represented a new opportunity for national actors who wish to deregulate and liberalise the existing alcohol control policies in the Nordic countries. The task of the judges has been to consider if the monopolies were compatible with the EC/EU/EEA Treaties, and, to a lesser extent, whether the abolition of the alcohol monopoly systems would result in higher consumption of alcoholic beverages, with the potential effects of increased health and social damages.

4.4 The High Alcohol Taxes and Prices

So far, focus has been on the state alcohol monopoly systems in the meeting with the EU level. Attention will now be directed towards the other main pillar of Nordic alcohol control policies, the high taxes and prices. Together, these two pillars are intended to reduce respectively the physical and economical availability of alcoholic beverages, and thereby also consumption and alcohol related harm in society.

Towards the end of the 1980s, when initiatives for a closer cooperation between the EC and the EFTA were taken, it was primarily the tax and price pillar of the restrictive alcohol control policies of Finland, Norway and Sweden that was assumed to be affected in the meeting with the EU (Tigerstedt et al., 1990a). However, while the monopoly issue was given most attention in the EEA process, the question of whether high taxes and prices on alcoholic beverages could be

⁴⁰ Case E-1/97 Fridtjof Frank Gundersen and Oslo Kommune.

maintained became a central issue during, as well as in the aftermath of the accession negotiations.

4.4.1 Tax Harmonisation Within the EU

Price convergence has been regarded as important for the establishment and the functioning of the single market, and several initiatives have been taken in order to approximate and harmonise both the rates and structures of excises on alcoholic beverages in the EU. The obstacles and barriers against enactment of common legislation in questions dealing with tax issues are however formidable, as unanimity is required. With regard to alcohol, the contrasting tax rules and practices also reflect profound differences in consumption patterns between the various member states. Despite this, together with tobacco and mineral oils, excises on alcohol constitute the “big three” excises imposed in all member states (Easson, 1993: 144).

4.4.2 Establishment of Common Tax Legislation

Until 1992, the Court’s jurisprudence was the only guidance available to the EU member states concerning the acceptable parameters for alcohol taxation (Lubkin, 1996). However, the need to harmonise excises on alcoholic beverages was already recognised by the authors of the EEC Treaty, and a working group was established to study the question as early as 1960 (Easson, 1993: 145). Despite this early recognition, the first set of proposals on this issue was issued by the European Commission in 1972 (Commission, 1972a; b; c; d; e). According to the Commission, the primary objective of excises was to raise revenue, but it was also said that a subsidiary aim was to reduce consumption of products detrimental to health. In addition, it was emphasised that agricultural, energy, environment and transport policy considerations should be taken into account. Based on these criteria, the Commission recommended that the excises on tobacco, alcohol and mineral oils should be harmonised between the member states. It is interesting to

observe here that alcohol at an early point was identified as a product that may be linked to harmful health effects. In spite of this, those proposals have been said to be “comprehensive in their scope”, but they did not result in any common legislation (Lubkin, 1996: 24).

During the dynamic period of the EC cooperation in the second half of the 1980s several new harmonisation initiatives were taken, and a proposal for a Council Directive was presented by the Commission in 1987 (Commission, 1987). The 1987 proposal called for a complete excise rate harmonisation, with a single rate for each beverage category to be applied by each of the member states. This proposal was intended to respond to the wide variations in the excises between the various member states by seeking some kind of a middle ground between the low and high tax countries. Adoption of these average rates would have caused substantial tax increases in some countries, and substantial reductions in others, and a north-south division could be identified between the member states. The implications of this proposal can be illustrated by comparing the excise rates on spirits in Greece and Denmark in 1987. While the excise rate on spirits in Denmark at that time was 14 ECU per litre, it was 0,19 ECU per litre in Greece (Easson, 1993: 156). Further, in five of member states, wine was not subject to excises at all, and it was therefore difficult to define what constituted a middle ground in terms of excise rates on wine.

The rigid and uncompromising structure of the 1987 proposal has been said to provide little “viable basis for Community legislation” (Lubkin, 1996: 26), and it was met by strong criticism of both substantive and technical character. In 1989 and 1990, the Commission presented two new proposals (Commission, 1989b, 1990b). The most central aspect in these proposals was that more flexibility was opened for. The single fixed rates were replaced by rate intervals, including minimum and target rates. The minimums rates were set lower than the 1987 rates, and the target rates were marginally higher. The targets rates must be viewed in light of the additional need for revenue that the Commission had been expressed in

connection with the process where new member states were admitted and new policies adopted during the 1980s. However, the Commission also justified the increased target rates by reference to public health consideration (Easson, 1993: 158), and the idea was that the member states were not permitted to adjust their rates away from these target rates, but also that they should successively move closer and closer to them.

Also these proposals were regarded as dissatisfactory. Actors that had criticised the 1987 proposal for being too rigid now claimed that the Commission had accepted so much flexibility that it would not lead to the aim of approximation in the rates (Lubkin, 1996). This process culminated in 1992 when the Council adopted two new directives (Council of Ministers, 1992a; b). Directive 92/83/EEC provides for harmonisation of excise tax structures, while Directive 92/84/EEC provides for approximation of rates.

The directive on the approximation of the rates of excises on alcoholic beverages clearly reflected the colliding interests between the different member states, and derogations were granted to a number of them. The target rates were removed, and the minimum excises on wine were set at zero after strong pressure from the wine-producing member states. The removal of the target rates implied that the Commission's emphasis on public health considerations in relation to excise rates on alcoholic beverages was not followed up. Priority was instead given to lower prices and undistorted competition.

During this prolonged process the Commission and other Community institutions realised that these diluted directives would not lead to the desired level of excise approximation alone, and it was therefore decided that this legislation had to be complimented with a more indirect strategy in order to harmonise the rates of excises on alcoholic beverages between the member states. The forces of the free market were here singled out to do the job by easing the restrictions on travellers' personal imports within the single market (Council of Ministers, 1992c).

4.4.3 Free Movement of Goods

One core idea behind the single market program is that persons travelling between two member states should be able to bring home anything they have bought in another country without paying customs duties at the border or making any declaration. The only prerequisite is that the purchases are made for their own or their family's consumption, and must not be meant for resale. Goods that are intended for personal consumption should be exposed to taxes where the purchases are made (principle of origin), while goods intended for resale should be exposed for taxes at the place of reselling (principle of destination).

In the EU, the principle of origin also applies for alcoholic beverages. Persons are therefore entitled to carry for personal use unlimited quantities of beer, wine, strong wine and spirits. In order to ensure that the goods are for personal consumption, some indicative limits have been set. These limits are very high: 10 litres of spirits, 20 litres of strong wines, 90 litres of table wines and 110 litres of beer per person per trip. From the EU side, it is expected that this will promote intra Community trade, as well as stimulate increased harmonisation of the rates of excises on alcoholic beverages within the EU in the long run.

The harmonisation and approximation of both the structures and rates of excises have been given high priority in the EU. These attempts have been viewed in relation to the functioning of the internal market, and it was in this tax climate that the Nordic countries negotiated for EEA and EU membership.

4.4.4 A Nordic Derogation in the Accession Negotiations

Adjusting the Tax Structures

In Chapter 2, it was emphasised that the taxation systems in the Nordic countries during the 1980s to some degree could be regarded as discriminating, as they seemed to favour cheap domestic beverages in relation to expensive imported

products (Horverak and Österberg, 1992). The reason for this is that alcohol content and volume was not the only criterion for taxation. In each of the three countries, there was an additional excise based on the value of the alcoholic beverages. This system was not compatible with the taxing principles adopted by the EU (Council of Ministers, 1992a), and in connection with the EEA negotiations Finland, Norway and Sweden agreed to remove the value element, so that excise taxes on alcoholic beverages should be exclusively based on alcohol content or volume. There was little resistance from the Nordic governments against these changes. A change from taxation based on value to alcohol content cannot be regarded as harmful from an alcohol control policy perspective (Informants).

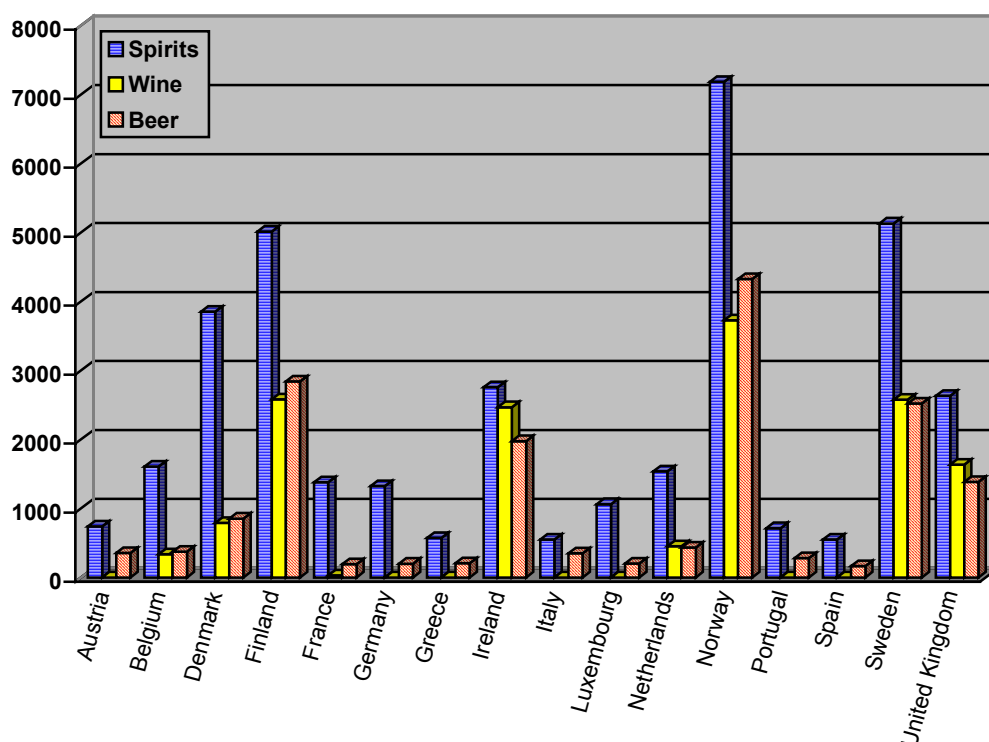
The high rates of excises are however strongly linked to the objective of reducing the alcohol related harm in Finland, Norway and Sweden.

Common Nordic Defence of the Restrictions on Travellers' Personal Imports

In Chapter 3 it was illustrated that the prices on alcoholic beverages vary substantially between the Nordic countries and the established EU member states. These price differences are mainly due to huge variations in the rates of alcohol excises.

As can be seen in Figure 4.1, wine was not subject to any excises in the majority of the EU member states at the time Finland and Sweden became EU members. This figure further illustrates that beer and spirits were taxed at low levels when compared to the Nordic countries.

Figure 4.1 Excises on alcohol in the EU member states and Norway in 1995 (ECU per hectoliter pure alcohol).*



Source: European Confederation of Spirits Producers (CEPS).

* ECU rates: Converted as at 1 April 1995.

The contrast between the Nordic countries on the one hand, and other EU states on the other, is striking. Each of the established member states operated with lower rates of excises on alcohol than each of the Nordic countries on each of the three beverage categories.

These differences reflect a contrast in views on alcohol, as well as on alcohol control. To some degree it may seem justified to say that the high taxes and prices in the Nordic countries are intended to reduce demand for alcoholic beverages, while in most of the established EU member states, low taxes and prices are intended to increase demand and sales of these products.

This picture must however be refined along two dimensions. First, also when looking at the differences between the various EU member states, the excises vary substantially. Denmark, Ireland and the UK can be placed in the high tax category within the EU for each beverage category, while Greece, Italy, Portugal and Spain are typical examples of low tax countries. This is also the main reason for why it has been so difficult to adopt common legislation on the harmonisation of the rates within the EU. Second, tax levels also vary between the three Nordic countries. Norway had by far higher rates of excises than Finland and Sweden on each beverage type.

In order to protect and maintain the high taxes and prices on alcoholic beverages, Finland, Norway and Sweden have traditionally operated with a system that allowed travellers to bring back only a small quantity of alcoholic beverages after visits abroad. The EEA Agreement did not affect this issue, and at the time when the EU accession negotiations commenced in early 1993, these limits were as follows: 1 litre of spirits, 1 litre of table or strong wine, and 2 litres of beer, or alternatively 2 litres of table or strong wine and 2 litres of beer. By keeping these limits at a very low level, the Nordic countries were protecting the national markets from cheap alcohol from abroad.

The restrictions on travellers' imports were regarded as important from an alcohol control policy perspective, and the causal link between these restrictions and the high alcohol prices was regarded as strong.

In the accession negotiations, Finland, Norway and Sweden asked for exemptions from the very high EU limits on travellers' personal imports of alcoholic beverages. The Nordic countries were united on this issue, and position papers from the Nordic countries were submitted to the EU delegation where the health and social policy aspects were firmly emphasised. From the Norwegian side it was said that adjustment to the EU limits "would seriously undermine the possibility of using high excise duties as an instrument of Norwegian alcohol policy" (Norwegian

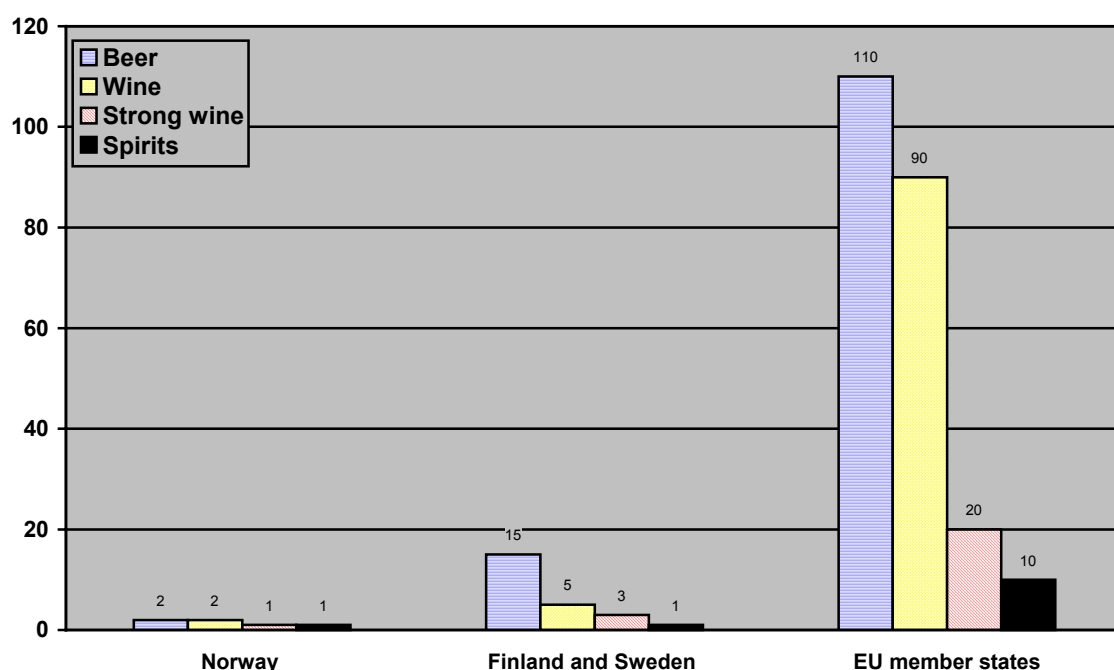
Ministry of Finance, 1993).

The Nordic countries initially requested that the existing limits should be applied in case of membership. These were quite similar to the EU limits on duty-free import of alcoholic beverages to the EC from third countries (Council of Ministers, 1969). The EU did not accept this request, and the issue became subject for lengthy discussions (Informants). However, a compromise was achieved, and the EU accepted in the end an exemption from the full EU-limits. This exemption was incorporated in the 1994 Act of Accession. However, the limits were raised to 1 litre of spirits, 5 litres of wine, and 15 litres of beer, or alternatively 3 litres of strong wine, 5 litres of table wine, and 15 litres of beer. This exemption has later been referred to as a derogation from a “fundamental principle of the internal market” (Council of Ministers, 1996). This derogation was similar to the exemption that had been granted for Denmark with reference to Article 26 of the 92/12/EEC Directive. The Danish derogation, however, involved spirits only (Council of Ministers, 1992c).

These derogations were authorised on a transitional basis, and should stay in force until 31 December 1996. The Nordic countries expressed hopes for permanency, and the governments of Finland, Norway and Sweden seemed at that point to believe that abolition of this derogation would require unanimity in the Council of Ministers (see Stortingsmelding 49, 1993-1994: 284; Informants). Especially, the governments of Norway and Sweden seemed to emphasise the veto right strongly, while the Finnish government seemed more uncertain about what would happen after 1996 (Informants). This uncertainty must be viewed in relation to the fact that this issue was regarded as very difficult, and it was also one of the last issues that were dealt with in the accession negotiations (Informants).

In order to illustrate the substantial differences between the Nordic countries and the EU, Figure 4.2 gives an overview of the various limits and quotas on travellers' imports of alcoholic beverages as of 1995.

Figure 4.2 Maximum quantities of beer, wine, strong wine and spirits that can be brought back by travellers for personal consumption after visits in other countries within the EEA Area as of 1995 (in litres).*



* In the Nordic countries personal import of spirits excludes the possibility of import of strong wine. In case of Norway the exact quotas were: 1 litre of spirits, 1 litre of table or strong wine, and 2 litres of beer, or alternatively 2 litres of table or strong wine and 2 litres of beer. In the cases of Finland and Sweden: 1 litre of spirits, 5 litres of wine, and 15 litres of beer, or alternatively 3 litres of strong wine, 5 litres of table wine, and 15 litres of beer.

4.4.5 Renegotiating the Restrictions on Travellers' Imports: Nordic Discord and Separate Adaptations

Since the Norwegian people rejected the membership agreement in the referendum, the initial restrictions on travellers' personal imports of alcoholic beverages could be maintained in the case of Norway. The discussion below will therefore primarily focus on Finland and Sweden. However, the Danish positions in relation to this issue will also be briefly commented upon, and although not a part of the negotiations with the EU, Norway has also been affected by the development in these neighbouring countries concerning this issue.

In the renegotiations of the Danish, Finnish and Swedish exemptions that

commenced in the second half of 1996, the Commission initially proposed that the Nordic countries should switch over by the year 1999 to full EU limits. This proposal was not accepted, and the three Nordic Prime Ministers agreed while attending a meeting in Dublin in October 1996, that Denmark, Finland and Sweden should present a common front in the negotiations on this issue. Bearing in mind the discord between Finland, Norway and Sweden concerning the state alcohol monopoly, the Nordic ability for cooperation in the alcohol field could be questioned.

The common Nordic position broke at an early point in the discussions with the EU. Finland and Denmark first pressed for an extension of the current rules, but made a compromise that implied that the derogations would cease by 31 December 2003. The two countries themselves were to decide on the rate of acceleration (Council of Ministers, 1996). Sweden was pushing for a different solution; namely that the current system would stay in place, and that any deadlines for the abolition of the derogations would not be accepted. The Swedish government seemed ready to bring the matter to the European Court of Justice for settlement, but agreement was reached before this step was taken. The agreement implied that Sweden could keep the derogations until 30 June 2000, and that negotiations then should be held on continuance. In Finland, the plan was that the restrictions should be progressively removed within 31 December 2003.

The renegotiations in the Swedish case were completed in the first half of 2000. Initially, the Swedish government aimed at extending the present derogations further than what Denmark and Finland had agreed upon with the Commission. In January 2000, the Swedish Minister for Health and Social Affairs, Lars Enqvist sent a letter to the Commissioner responsible for Health and Consumer Protection within the EU, David Byrne, proposing that the current Swedish derogations should be extended until the end of 2005, and that new discussions then should be held on continuance (Swedish Ministry of Health and Social Affairs, 2000). In response to this letter, the Commissioner of the Internal Market, Fritz Bolkestein claimed in

several meetings with representatives from the Swedish government that the free movement of goods was regarded as one of the most fundamental principles in the EU co-operation, and that further extensions would not be accepted (Informants). Instead, Bolkestein indicated that Sweden would have to adjust to the EU rules even before Denmark and Finland. In a response to a question in the European Parliament in February 2000, he claimed that: “Sweden has now had sufficient time since its accession to adapt its alcohol policy to a situation without the existence of import restrictions and I do not see any reason to propose further extension of this measure” (The Key, 2000: 18).

Faced with the threat of having to accept full EU limits already from 1 July 2000, the Swedish government changed their strategy and instead aimed at achieving the same conditions that Denmark and Finland had negotiated four years earlier (Swedish Ministry of Finance, 2000a).

This dispute came to an end after a Council meeting of the Ministers for Finance in the EU member states (ECOFIN) on 13 March 2000. In this meeting, it was recommended that Sweden, like Denmark and Finland, should undertake the necessary adjustments within 31 December 2003. The Swedish government accepted this proposal, and in a letter to the Commissioner of the Internal Market dated 17 March 2000, the Swedish Minister for Finance proposed that the limits on travellers’ imports of beer should increase from 15 litres to 24 litres from 1 July 2000, and that the limits on spirits should increase from 1 litre to 2 litres from 1 January 2002. This modest stepwise escalation towards the end of 2003 is thought to restrict the potential harmful health and social policy consequences of the adaptation to the EU rules. The Commission accepted this proposal a few weeks later (Swedish Ministry of Finance, 2000b).

The Swedish government was not willing to let the case go before the ECJ as many had expected. This decision was based upon a juridical expert observation that had been made upon request by the Swedish Ministry of Health and Social Affairs. The

conclusion in this observation was that the Swedish government would have little chance of winning a possible Court case (Informants).

The centrality of the Nordic Ministers for Finance in the discussions with the EU concerning the imports restrictions has here been illustrated. The EU counterpart in these discussions was for the most part the Commissioner for the Internal Market. All in all, it has here been illustrated how a component of Nordic alcohol control policies seemed to become treated as a purely economic issue.

4.4.6 Cross-border trade in Alcohol within the Internal Market

Finland and Sweden as EU members are in principle free to pilot their own policy with regard to both prices and taxation on alcoholic beverages if the criteria of non-discrimination and the minimum rates on excises, are met. Private licensed importers will determine the prices of their alcoholic beverages freely, but the price-level will largely be maintained through the national taxation systems. However, the indirect effects of eased restriction on the amounts of alcoholic beverages that can be brought in must not be ignored (Ugland, 2000a). The extent of cross border trade as a consequence of price differences is here a central issue.

The Nordic EU members will have to adjust to the EU regulations on travellers' personal imports, and in so doing the pressure on the rates of excises will increase. Denmark, which also has higher rates compared to most EU member states, has already experienced this scenario. After Denmark joined the EU in 1973, the excises on beer and wine have been cut on several occasions in order to reduce the extent of cross-border trade towards Germany (Milhøy, 1993). Also Finland and Sweden have increased the limits on travellers' imports of alcoholic beverages due to the EU membership from 1995 (Figure 4.2). Despite Finland and Sweden's relatively short history as EU members, the alcohol taxes have also been reduced in these countries. The Swedish government found it necessary to reduce the excise rates on strong beer from 1 January 1997, due to the increase in cross-border trade

in the southwestern part of the country towards Denmark. In preparation for what will happen in 2003, when the Finnish derogations will cease, the excise on wine was reduced as of 1 January 1998.

In the case of Norway, the limits on travellers' imports of alcoholic beverages are unchanged, as the EEA Agreement does not cover this area of co-operation. This does not mean that the Norwegian rates of excises on alcohol will be unaffected. For Norway, the pressure on the established rates will increase if the price level in Sweden falls. There are signs of increases in the Norwegian-Swedish cross-border trade in alcoholic beverages during the last few years, and the Norwegian excises were reduced marginally as of 1 January 1999 in order to curb this trend (Lund, Trolldal and Ugland, 2000). In an internal market, the domino logic seems to apply to cross-country differences in alcohol prices.

4.4.7 Cross-border trade in Alcohol with Third Countries

The principle of free movement of alcoholic beverages has contributed to putting pressure on the high taxes in the Nordic countries. The Commission emphasised in the discussions with Sweden that this principle could be regarded as one of the most fundamental principles in the EU co-operation. However, this principle does not apply as strongly for trade with alcoholic beverages with third countries. This was clearly emphasised in a ruling by the ECJ in June 1999.⁴¹ This case concerned whether Finland was allowed to restrict trade in cheap alcoholic beverages from neighbouring non-member states such as Estonia and Russia.

According to Finnish alcohol legislation in force from 1 July 1992 until 31 December 1994, it was only permissible for travellers to import alcohol on returning from travel abroad if the journey had lasted 24 hours or more. This legislation was amended in connection with the accession to the EU, and from 1995

⁴¹ Case C-394/97 Sami Heinonen.

the restrictions linked to the duration of the journey were abolished. However, in May 1996 the Finnish politicians reintroduced the restrictions linked to the duration of the journey. According to the new law “A person resident in Finland who arrives in the country, otherwise than by air transport, from outside the European Economic Area and whose journey has lasted for 20 hours at most may not import alcoholic drinks.”⁴² This new law was introduced in order to protect public order and safety and the health of humans, and it was primarily directed towards curbing the increasing trade in alcoholic beverages towards Estonia.

This case was referred to the court after a private person, Sami Heinonen in June 1997 sailed from Helsinki to Tallinn in Estonia. He sailed back the same day, after a voyage of less than 20 hours. In a routine customs check, the customs authorities found nineteen cans of beer in his luggage, and Heninonen was therefore issued a notice ordering him to pay a fine for smuggling. The beer was also confiscated. Only two days after, Heinonen sent a letter to the Public Prosecutor contesting that notice. He claimed that he was authorised under Community law to import freely at least the quantity of beer in question. This dispute resulted in a request for a preliminary ruling by the ECJ.

In this judgement, the Court concluded that the Finnish law was not contradictory to the Community law. The Court emphasised the fact that the Finnish government had detected improvements in the social and health problems due to the implementation of the 20 hours limit, and that “those factors are such that it may properly be inferred from them that the legislation is appropriate”.⁴³ This judgement went against the opinion of the Commission, which claimed that the Finnish authorities could have achieved the same result by making use of other opportunities already offered by the Community legislation. Despite this, the Court found the Finnish law to be “a necessary measure, since the alternatives proposed by the Commission do not appear to be effective enough to attain the objective

⁴² The Finnish Alcohol Act, Law No 267/96.

⁴³ Case C-394/97 Sami Heinonen.

pursued”.⁴⁴

The Finnish government also emphasised that the extensive level of travellers’ imports from non-member states had resulted in significant declines in the sales of alcohol in the state monopoly outlets, and that the Finnish state therefore lost tax revenue from this trade. The Court clearly emphasised that these economic considerations were not attached importance by the Court in its judgement. The link between alcohol control measures and health and social policy aspects is here emphasised.

Viewing this judgement in relation to the discussions on the restrictions on travellers’ personal imports, it appears that it is easier to achieve acceptance for restrictions on trade with third countries, compared to restrictions on trade within the internal market.

4.5 The Two Main Pillars of Nordic Alcohol Control Policies in the Meeting with the EU

Focus here has been on the impacts of the European integration process on the Nordic alcohol monopoly systems and the high taxes and prices of two reasons. First, these two pillars were regarded as the most important viewed from a health and social policy perspective by the political authorities in each of the three Nordic countries. Second, it is in relation to these two pillars that the meeting with the EU has had most significant impacts.

Other aspects of Nordic alcohol control policies have not been affected to the same extent. This being said, the ECJ has considered whether the Swedish prohibition on

⁴⁴ Ibid.

alcohol advertising in certain publications is consistent with the EC law.⁴⁵ In this case, the EC Court ruled in March 2001 that it was for the national court to determine whether the prohibition on advertising meets the condition of proportionality, which is required in order to be justified.

Despite fundamental differences, the processes through which the Nordic state alcohol monopoly systems and the high taxes and prices on alcoholic beverages have been affected in the meeting with the EU are parallel with regard to at least two aspects. First, both the challenge to the state alcohol monopoly systems and to high prices and taxes provide as examples of how individual policy components became disintegrated from the overall policy area that they formed part of in the meeting with the EU. This disintegration process was facilitated by a re-categorization process by which components of the health and social policy oriented alcohol control policies became redefined and translated against the background of competition policy and the internal market. Second, both cases illustrate that Finland, Norway and Sweden have not always responded in the same way, although the challenges they were confronted with were similar.

In the next chapter, these two findings will be viewed in relation to how this area of public policy was integrated in the three countries prior to the commencement of the EEA and accession negotiations.

⁴⁵ Case C-405/98 (Konsumentombudsmannen against Gourmet International Products (GIP)).

CHAPTER 5

RE-CATEGORIZATION OF NORDIC ALCOHOL CONTROL POLICIES

5.1. Policy Integration, Justification and Adaptation

In Chapter 1 of this dissertation, the justification and legitimacy of domestic public policies were assumed associated with the notion of policy integration. It was hypothesized that a tightly integrated area of public policy was likely to be perceived as more legitimate at the domestic level, and furthermore that it would be easier to justify vis-à-vis the EU than a policy area that was characterised by significant inconsistencies, many random elements and a low degree of structural connectedness. Re-categorization of tightly integrated policies and policy components was therefore assumed to evoke more domestic resistance compared with situations where more loosely integrated policies and policy components became redefined or reframed against the background of predominant EU patterns of substantive and procedural standards.

The validity of these assumptions will here be examined by analysing the responses of Finland, Norway, and Sweden, when parts of their health and social policy oriented alcohol control policies became re-categorized as instruments of a commercial character in the meeting with the EU. Focus is here put on the state alcohol monopoly systems and the high taxes and prices on alcohol.

5.2 The Partial De-monopolisation

The Finnish, Norwegian and Swedish state alcohol monopoly systems have traditionally been legitimised on grounds of health and social policy considerations, but in the meeting with the EU they became re-categorized as instruments of a commercial character. Market building has been identified as the principal project of the EU, with competition policy and the four freedoms of the internal market as main priorities. This market focus has also been identified in relation to the way alcohol has been treated in the EU. The policy relationship with reference to alcohol and alcohol control between the Nordic countries on the one hand, and the established EU member states and the EU on the other, has here been referred to in terms of a substantive policy mismatch.

In the meeting with the EU, parts of the comprehensive state alcohol monopoly systems were at an early point said to be incompatible with the EC Treaties. Although the EU treated the Nordic state alcohol monopoly systems in unison, the responses from the three countries were highly contrasting. While the Finnish government early in this process declared its readiness to abolish the import, export, wholesale and production monopolies, the Norwegian and Swedish political authorities declared that although some adjustments had to be made, each of the established monopoly functions would be maintained. However, after an exchange of letters with the European Commission, also the Swedish government agreed on a partial abolition. The Norwegian government on the other hand maintained its view that each of the monopoly functions could be maintained as they were regarded as compatible with the EC Treaties. Nevertheless, after an EFTA Court decision concerning the validity of the Finnish monopoly system, also the Norwegian government complied with the demands from the EU.

The argument here is that the contrasting Nordic responses can be viewed in relation to how the three state alcohol monopoly systems were integrated with the overall alcohol control policy area, as well as in relation to how the various

monopoly activities were linked with the objective of reducing alcohol related harm in society.

The Nordic state alcohol monopoly systems were analysed in terms of policy integration in Chapter 2 of this dissertation. On a general level, the monopolies on import, export, wholesale, and production were here regarded as problematic from a perspective of policy consistency, and they seemed to be weakly linked with the main objective of reducing alcohol related harm in society. The inconsistency seemed most evident in the case of Finland and Sweden, primarily due to the strong emphasis on business aspects and financial success related to production and export of domestic alcohol products abroad in these two countries. Calls for a structural reorganisation of the monopoly systems had also been expressed in both countries prior to the meeting with the EU. Compared with Sweden, the inconsistency seemed more problematic in the Finnish case, mainly because the same state alcohol monopoly company was in charge of both the retail sales function, and the business functions related to export and production. In Sweden, the two functions were administered by two separate state monopoly companies. In Norway the economic aspects of the state alcohol monopoly system were less pronounced, and the inconsistency seemed smaller.

The next task will be to analyse what role the contrasting patterns and degrees of policy integration played in this process.

5.2.1 Finland: Abolition of the “Foreign Trade Monopolies”

In Chapter 4, it was illustrated how the general director of the Finnish Alko, Heikki Koski very early in this process concluded that the import, export and parts of the wholesale monopolies had to be abolished as a consequence of Finland’s participation in the EEA Agreement (Virtanen and Hentilä, 1990). He later referred to these monopolies as the “foreign trade monopolies” (Koski, 1992: 338), and claimed that they had to be regarded as quite remote from the health and social

policy objectives underlying Finnish alcohol control policy. The way this issue was approached illustrates that early on, Finland accepted the EU initiated re-categorization of the Nordic state alcohol monopoly systems. The weak link between these monopoly functions and the health and social policy considerations was also acknowledged and emphasised by other central actors in this process (Informants).

Alko has a long tradition of being a fairly independent actor in alcohol control policy related questions in Finland, and the essence of Koski's arguments was that only those elements of the state alcohol monopoly systems that had an apparent and strong link to the health and social policy objective of reducing alcohol related harm could be maintained. This view had broad support among the Finnish political authorities, and due to this interpretation, Finland broke away from the common Nordic defence of the established state alcohol monopoly systems.

Koski claimed that Finland's decision to comply with the demands from the EU was based upon the conclusions of several national juridical expert groups. Among them was a committee that had been appointed by the Ministry of Social Affairs and Health in order to study and evaluate the future of the Finnish state alcohol monopoly system viewed from a EU perspective. Koski further claimed that the Finnish case was special compared with that of the Nordic neighbours. The advisory opinion on the Finnish membership application was interpreted as more firm than the Commission's opinion on the Swedish application that was presented a few months earlier, and Koski interpreted this difference in the Commission's tone as a result of the fact that the activities of the Finnish state monopoly system was more comprehensive than the Swedish system, and that the former therefore was more in conflict with the EC rules (Koski, 1992: 337). Informants also indicated that the Finnish system probably was more difficult to justify on grounds of social and health considerations than the Norwegian and the Swedish monopoly systems (Informants).

Despite this, Finland was not willing to abolish the established monopoly system completely. It was emphasised that the retail monopoly was strongly linked to the objective of reducing alcohol related harm, and both the Finnish political authorities and representatives from Alko claimed that this monopoly function had to be maintained due to health and social policy considerations.

5.2.2 Sweden: Striking a Compromise with the Commission

The differences between the three state alcohol monopoly systems were emphasised from the Finnish side, and as will be illustrated, the Swedish and the Norwegian political authorities also highlighted these differences in their discussions with the EU.

The Swedish arguments were presented in an information brochure prepared by the Ministry of Health and Social Affairs. This brochure was distributed widely on the EU level, and it was intended to raise awareness and understanding about Swedish alcohol control policy (Informants). In this brochure, the alcohol monopoly was presented as only one element of a wider system of policy components. The main arguments were that the Swedish state alcohol monopoly system was non-discriminatory; that the alcohol policy objective could not be achieved by less radical means than through the monopoly; that the abolition of any monopoly functions would probably lead to increased social and health problems “within a very short time” (Swedish Ministry of Health and Social Affairs, 1992: 12). It was further emphasised that restrictive alcohol control policy enjoyed great support among the Swedish people. Notions of policy consistency, interdependence between the various policy components, and structural connectedness were clearly accentuated in these arguments, and they were further emphasised in the early phases of the exchange of letters and communications with the Commission in 1993.

Despite these arguments, the Swedish government agreed on a partial abolition of the monopoly system in December 1993. The decision to comply with the demands of the EU to abolish the import, export, wholesale and production monopolies can be regarded as a compromise. The Swedish Minister for European Affairs and Foreign Trade, Ulf Dinkelspiel, presented the agreement with the Commission as a victory when he returned to Sweden from Brussels. He claimed that it was impossible to gain acceptance for the maintenance of each of the monopoly functions, but that the future of the retail monopoly now had been ensured. The argument was that, viewed from a health and social policy perspective, some more or less unimportant monopolies had been sacrificed for one very important monopoly function.

The Swedish government also justified this decision by claiming that the original strategy had to be reconsidered in order to avoid ending up in a “state of uncertainty”, as the Swedish secretary of state at the Ministry of Health and Social affairs hinted at with reference to the unresolved situation for Norway (Stenius, 1994). He also indicated that it was easier for the Norwegian government to claim that the monopolies were not motivated by economic and commercial interests due to the limited export of Norwegian products.

5.2.3 Norway: Court Driven Adaptation Towards the Compromise Solution

The exchange of letters between the Norwegian government and ESA came under way early in 1994. Both the Finnish and the Swedish governments had at this point agreed with the EU on a partial abolition. During this phase, the Norwegian government aimed at drawing attention towards the differences between the Nordic alcohol monopoly systems that were specified in Chapter 2. As will be illustrated below, it was argued that the Norwegian alcohol monopoly system was more consistent, interdependent and structurally connected than the Finnish and Swedish counterparts.

On the relationship between the health and social policy justification of the state alcohol monopolies' activities, and their actual practises, the Norwegian government claimed:

*“The primary task of Vinmonopolet is not to make money, but to safeguard the social considerations related to reducing the harm caused by alcohol consumption. (...) This is why the company's turnover on the export market is considerably lower than those of the other Nordic alcohol monopolies”*⁴⁶

This argumentation points to a central difference between the Nordic state alcohol monopoly systems. The link between the health and social policy justification, and the actual practices of the state alcohol monopoly was indirectly said to be tighter in Norway than in the cases of the more commercially oriented monopoly systems in Finland and Sweden. This aspect of the Norwegian arguments touches upon the notion of policy consistency. It was claimed that the various activities of the Norwegian state alcohol monopoly system were more co-ordinated and coherent from the point of view of reducing alcohol related harm in society than the Nordic counterparts.

With regard to the notion of policy interdependence, the Norwegian government underlined the tight linkages between the various policy components. With reference to the state alcohol monopolies, it was claimed that changes in the state of these policy components would affect the state of the others, and that this would result in increased alcohol related harm:

“If any of Vinmonopolet's exclusive rights were to be abolished, stronger use of other existing instruments would become an alternative. The problem, however, is that all

⁴⁶ Letter from the Norwegian government to ESA, 5 October 1994.

existing instruments are already in use and that, to a larger extent than any other country in Europe”⁴⁷

Again, the government portrayed the Norwegian case as unique, also compared with the other Nordic countries. In the same letter, the Norwegian government further claimed that the domestic support for the state alcohol monopoly systems was stronger in Norway than in Finland and Sweden:

“[The] attitude towards alcohol and alcohol consumption is peculiar to Norway, and cannot be compared with that in any other country of Europe, not even Sweden or Finland. Thus, it would give a wrong impression of the population’s attitude to Norwegian alcohol policy if one were to draw conclusions based on Swedish or Finnish attitudes towards similar issues. For some segments of the population, the demand for a stringent alcohol policy is a moral issue”⁴⁸

The Norwegian government reiterated the contrasts to Finland and Sweden, and portrayed Norway as a unique case with regard to restrictive alcohol control policies and the domestic popular support for them.

It has here been illustrated how justification for the established alcohol monopoly system in Norway was sought by demonstrating that it formed a part of a larger and more integrated policy area, within which the various policy components were consistent, interdependent and structurally connected. A comprehensive and unified state alcohol monopoly system was said to be an important part of this system. The analysis of the three state alcohol monopoly systems in Chapter 2 also revealed that the Norwegian system seemed more integrated than the Finnish and the Swedish,

⁴⁷ Ibid.

⁴⁸ Ibid.

and also that the link between the various activities of the monopoly and the health and social policy objective was tighter.

Based upon the theoretical perspective that has been adopted in this dissertation it can be argued the Norwegian government upheld the defence of the state alcohol monopoly systems for a longer period of time than its Nordic counterparts because the Norwegian system was perceived to be more legitimate and easier to justify than the Finnish and Swedish state alcohol monopoly systems. The Norwegian government evidently felt that they had better arguments vis-à-vis the EU. This was also emphasised by the Norwegian government in the exchange of letters with ESA, as well as by actors central in this process in the three countries (Informants). Our analyses of the three systems in Chapter 2 support such a position.

Still, why did the Norwegian government decide to comply with ESA after all, and abolish the import, export, and wholesale monopolies? The centrality of the Courts in this process is here key.

The judgement by the EFTA Court in the Restamark case has been said to be vital for the Norwegian government's decision to finally comply with the demands from ESA without letting the matter go to the EFTA Court (Informants).⁴⁹ This judgement was presented in December 1994 about one year after both Finland and Sweden had decided to abolish their state alcohol monopolies on import, export, wholesales and production. Approximately two months after the EFTA Court had delivered its judgement in the Restamark case, the Norwegian government informed ESA about its decision to initiate preparations for abolishing the exclusive rights as regards the import, export, and wholesale of alcoholic beverages. It was further decided that, unlike the situation in Finland and Sweden, the production monopoly would be maintained. However, the institutional link between the production and the retail monopoly should be removed. The

⁴⁹ Case E-1/94 Ravintoloitsijain Liiton Kustannus Oy Restamark.

Norwegian government regretted these changes, but they were regarded as necessary in order to avoid jeopardising the retail monopoly by letting the matter go to the Court (Ot. prp. nr. 51 1994-95), which many actors on the domestic arena expected.

The timing of the Norwegian decision to partially abolish the state alcohol monopoly system must be viewed in connection with the Restamark judgement, while the Swedish compromise with the Commission from 1993 formed a foundation for how this partial abolition actually should be carried out. In spite of this, it is interesting to note that unlike in Finland and Sweden, Norway decided to maintain the production monopoly on spirits.⁵⁰

As illustrated in Chapter 4, the Courts have delivered a number of judgements concerning different elements of Nordic alcohol control policies. Each of these cases was referred to the Courts by different national instances following requests for preliminary rulings or advisory opinions. By studying the EEA negotiations that commenced in 1990, a better understanding of why so many cases concerning the alcohol monopolies of Finland, Norway, and Sweden have been brought before the Court can be gained.

In the negotiations with the EU, the Nordic countries decided to keep the alcohol monopoly issue off the agenda, and as a consequence, it was up to other actors, and particularly private individuals economically supported by various branches of the national alcohol industry, to test out the legal validity of the alcohol monopoly systems. The direct effect of primary European law makes it possible to challenge existing national institutional arrangements by bringing a matter before a national court, which then may make requests for a preliminary ruling or an advisory opinion by the ECJ or the EFTA Court.

⁵⁰ The production monopoly on spirits was however abolished in 2001 after an initiative by the Norwegian government itself.

5.2.4 Discussion: Policy Integration and Justification

The above analysis illustrates that the actors either directly or indirectly referred to notions of consistency, interdependence and structural connectedness in the process of justifying their actions. Initiatives were taken in order to adjust or eliminate weakly integrated policy components of Nordic alcohol control policies, while more tightly integrated policy components were defended. The different responses from Finland, Norway and Sweden in this process have therefore been viewed in relation to how the state alcohol monopoly systems were integrated, and how their activities were linked with the health and social policy objective underlying Nordic alcohol control policies.

Although that emphasis here has been on the contrasting patterns between the three state alcohol monopoly systems in terms of policy integration in order to increase the understanding about the different responses in this process, other aspects may also be of relevance. In Ugland (1996), the difference in the general attitudes towards the integration process was discussed in connection with how the alcohol monopoly question was treated in the three countries. Such a perspective may also give rise to strategic interpretations of the Nordic responses in this process.

Opinion polls that were conducted at regular intervals prior to the referendums held at different dates during the autumn of 1994 illustrated that there were profound differences between public opinion in Finland, Norway and Sweden. Bjørklund summarises the period as follows: “Finns are most pro-membership, the Swedes next, with the Norwegians the most reluctant Europeans” (1994: 14). Also relations between public opinion and the political elite were different. It seems justified to say that in Finland and Sweden public opinion pushed politicians to apply for membership. In Norway on the other hand, a clear majority was against membership

in the general population at the time when the membership application was submitted by the government.⁵¹

The national responses in the negotiations with the EU can also be viewed in light of these differences. The more positive attitudes towards the European integration process among the public in Finland and Sweden may have made it easier for the political leadership of the two countries to accept the demands by the EU in the negotiations. In Norway, the government was faced with the challenge of overturning domestic opposition by reaching a membership agreement that would be “too good to be rejected” by the Norwegian people in the referendum.

This ambition was to be achieved by adopting a hard-line position on most areas in the accession negotiations. In cases where it seemed impossible to achieve EU concessions, the hard-line position was on several occasions replaced by a procrastination strategy. For instance, the deadline for the completion of the accession negotiations with the Nordic countries was originally set to January 1994. This deadline was then postponed to 1 March 1994, on which date Finland and Sweden reached agreements with the EU. Norway was, however, not ready to complete the negotiations before 15 March 1994, after a number of postponements. The active resistance of entering into direct negotiations was seen in the dispute over the alcohol monopoly issue, but similar dynamics have also been identified in relation to other issues during the Norwegian accession negotiations with the EU (Matlary, 1993).

In Norway, the future of the alcohol monopolies was still uncertain when the referendum was held in the autumn of 1994. The Norwegian government had turned down the invitation from the EU to settle the disagreement, and the non-negotiation strategy that had been chosen by the Norwegian government was reinforced as a result of the failure of the Swedish government to achieve a solution that implied that

⁵¹ Only about 38 per cent of the population supported membership at the time when the formal application was sent by the Norwegian government. In Finland and Sweden, support for membership around their respective application dates was about 65 per cent (Bjørklund, 1994).

all monopolies on alcohol would be maintained. Then Minister for Trade explained this situation as follows: “Norway has chosen not to enter into negotiations with regard to this problem. Our system is in accordance with the EEA Agreement. I have noted that Sweden and Finland have received a negative response from the EU with regard to maintaining their import and wholesale monopolies. Norway has not been given this answer” (my translation, quoted in Ugland, 1996: 53).

It seems that public opinion in Norway indirectly played a crucial role with respect to this response. To give in after pressure from the EU and abolish the monopolies on alcohol would send out negative signals to an already EU-sceptic population that was thinking in terms of national sovereignty and self-determination versus EU domination (Matlary, 1993). Also, the assurances that were given in connection with the ratification of the EEA Agreement in the parliament were here important. The Norwegian response has to be perceived against this setting. That is, in many respects the government had committed itself to act in a certain manner, namely to defend the established state alcohol monopoly systems.

Based on this discussion, the contrasts in responses to the demands for adjustments of the alcohol monopoly systems can be viewed in relation to the notable national differences in domestic support for the European integration process in the three countries. This resulted in different dates with regard to membership applications, completion of negotiations and referendums. Also the decisions to comply with the demands from the EU, and to abolish the monopolies on export, import, and wholesale were made on different dates. In each case, Norway was the most hesitant of the three countries.

This being said, the differences in domestic support for the European integration process in Finland, Norway, and Sweden do not seem to capture the complexity of the Nordic responses in this process. There are at least two aspects that indicate that the Nordic responses should be viewed in light of how the state alcohol monopoly systems were integrated within the wider alcohol control policy area.

Contrasting Responses and Contrasting Patterns and Degrees of Policy Integration

First, although that the state alcohol monopoly systems were differently integrated, changes were undertaken systematically in each of the three Nordic countries in order to adjust or eliminate policy elements of the monopoly systems that could not be justified from a health and social policy perspective. The monopoly systems were adjusted separately in Finland, Norway and Sweden based upon how they were integrated in the overall policy area they formed parts of in the three countries.

It was emphasised in Chapter 4 that the Norwegian government took an early initiative to eliminate discriminatory practices in relation to the activity of Vinmonoplet. In order to cease what could be perceived as discrimination against foreign produced beer, the state monopoly on import and wholesale of foreign produced beer was abolished during the EEA negotiations after initiative by Norway herself. Further, strong beer became subject for monopoly control from March 1993 in order to eliminate a potential source of discrimination between strong beer and wine. Together, these decisions illustrate that the Norwegian government aimed to remove some more or less obvious inconsistencies in their state alcohol monopoly system. The adaptations that were undertaken further illustrate that the Norwegian government was open and willing to adjust the state alcohol monopoly system. In this process, loosely integrated policy components were regarded as less legitimate than more tightly integrated ones.

Also the responses from Finland and Sweden illustrate that notions of consistency, interdependence and structural connectedness were of importance. The state monopoly on wholesale trade of strong beer was also regarded as problematic from a perspective of policy consistency in Sweden, and it was therefore proposed remedied through a legislative reform early in the process in order to eliminate discrimination between domestic and foreign producers.

In Finland, it was emphasised at an early point that the established monopoly system could not be justified with reference to health and social policy considerations. Due to the particular structure, organisation and activities of the Finnish state alcohol monopoly, the government did not seem to believe that the established monopoly system could be justified by undertaking similar smaller changes and adjustments as had been undertaken or proposed in Norway and Sweden. It was only by de-monopolizing the import, export, wholesales and production functions that the Finnish government felt it could justify the state alcohol monopoly on retail sales.

The main point here is that although that the Norwegian government maintained its defence of the exclusive rights to import, export and wholesale alcoholic beverages for a longer period than its Nordic counterparts, changes were also undertaken in Norway. The readiness to make adjustments can also be illustrated by taking a closer look at the process that led to the abolition of the Norwegian state monopoly on pharmaceuticals, Norsk Medisinaldepo (NMD). These two cases were in many respects parallel, and it may therefore prove fruitful to compare the Norwegian responses and arguments in these two cases.

NMD was established in 1953, and like the state alcohol monopolies, the state monopoly on pharmaceuticals was motivated by health and social policy considerations. This monopoly has since then formed an integrated part of the Norwegian medicine control policy (*legemiddelpolitikk*) (Moen, 1998). The main ambition behind the establishment was to distance private profit interests from the trade with pharmaceuticals, and NMD was therefore given exclusive rights to wholesale, import and export pharmaceutical drugs in Norway. However, this arrangement was not regarded as compatible with the EEA Agreement, and in 1994 NMD's exclusive right was withdrawn after an initiative by the Norwegian government itself.

Prior to the EEA negotiations, the Norwegian government had emphasised the health considerations underlying the activity of both the state monopolies on pharmaceuticals and on alcoholic beverages (Regjeringsutvalget for EF-saker, 1990: 24). However, a short time after the EEA negotiations had commenced, the Norwegian government informed EFTA that the state monopoly on pharmaceuticals would be abolished (Moen, 1998: 53). This decision had broad support among the political elite, and even NMD supported the decision to abolish these exclusive rights. By studying the Norwegian arguments behind this decision, a better understanding of this easy adaptation can be gleaned. The government emphasised that it was difficult to justify the need for the state monopoly with reference to health and social policy considerations. Over time NMD had developed in the direction of an ordinary profit maximisation company, and the old argument about not mixing health and economic interests had therefore lost ground (Moen, 1998: 84). Economic and commercial interests had on the other hand, gained in importance since the early 1980s.

In many ways, the situation for NMD was comparable to the situation for the Finnish and Swedish state alcohol monopolies on import, export, wholesales and production. Alko and Vin & Sprit had over time, like the Norwegian state monopoly on pharmaceuticals, placed an increasing emphasis on economic interests, while the health and social policy profile had become weakened. The activities of NMD did not seem to be as tightly linked with the health and social policy objectives, and the easy adaptation in the meeting with the EU should be viewed in this context. Elements of legitimacy and justification of policy components is here key.

Furthermore, in 1997 the Norwegian parliament decided to privatise NMD. The majority in the parliament claimed that it was not necessary for the state to own the company anymore, as it did not serve any health political role (Moen, 1998: 88). Also this finding can be compared with the latest development in the alcohol field. In each of the three Nordic countries there exists at present an ongoing debate

about privatising the former state alcohol monopolies, for which exclusive rights were withdrawn in 1994. Some elements of the old state alcohol monopoly systems have already been privatised (Lund, Alavaikko and Österberg, 2000).

Summing up this first point, although domestic support for the European integration process seemed weakest in Norway compared to Finland and Sweden, and although the defence of the established state alcohol monopoly systems therefore can be interpreted strategically, important changes were also undertaken in relation to the Norwegian state alcohol monopoly system. Some tasks were de-monopolised (import and wholesale of foreign produced beer), while others became monopolised (retail sale of strong beer) during this process. On a general level, these adjustments were undertaken in order to make the monopoly system more consistent and integrated, and to strengthen the link between the health and social policy justification and actual practices. Policy components that were weakly linked with the health and social policy objective were regarded as less legitimate. The process that led to the abolition of NMD further illustrates how a state monopoly easily became adapted also in Norway because it could no longer be justified by reference to health and social policy considerations.

Similar Responses and Similar Patterns and Degrees of Policy Integration

Secondly, the importance of patterns and degrees of policy integration in this process can also be observed by focusing on the domestic responses when the retail monopolies became subject to re-categorization initiatives in the meeting with the EU. The story that has been described here is namely one of both similar and contrasting responses. While the first point drew attention to policy components that were regarded as loosely integrated and became relatively easily adapted, the second point emphasises the finding that policy re-categorization of more tightly policy components was marked by firm domestic resistance.

The fact that each of the three Nordic countries defended the state alcohol retail monopolies illustrates that policy components that were more tightly linked to the health and social policy objective were regarded as more legitimate, and were moreover, easier to justify vis-à-vis the EU. The retail monopolies seemed to be tightly integrated with the overall policy area in each of the three countries, and the similar responses of Finland, Norway, and Sweden should be viewed in this light.

Aspects related to the alcohol control policy integration can also be recognised in the arguments from the various EU and EFTA institutions in this process. The objective of reducing alcohol related harm was never contested in this process, and the legitimacy of this objective was not even evaluated.⁵²

However, the principles of “non-discrimination” and “proportionality” were key in both the Commission’s and ESA’s argumentation for a partial abolishment of the state alcohol monopoly systems. ESA held for instance that the Norwegian government had failed to show that the import, export, wholesale and production monopolies were “strictly necessary” to attain the aim of protecting public health. The principle of proportionality can be viewed in relation to the criteria of interdependence in analysis of policy integration. Of interest here is whether policy instruments are causally linked to policy objectives, and in what ways. This is both a question of pace and strength. ESA’s argument was that Norway had not provided evidence that its import, export and wholesales monopolies were necessary to give effective protection of public health, and furthermore that this interest could be safeguarded by less restrictive means.⁵³

⁵² In correspondence with the Norwegian government, ESA held that: “the issue is not whether the objectives pursued by the Norwegian authorities, namely limiting the sales and controlling the consumption of alcohol, are acceptable but rather whether the exclusive rights to import, export and wholesale are necessary to achieve such objective” (Letter from ESA to the Norwegian government, dated 30 December 1994).

⁵³ Letter from ESA to the Norwegian Government dated 30 December 1994.

In the Court cases concerning the validity of the retail monopolies, it was claimed that all discriminating practices had to be eliminated in order for the retail monopoly to be compatible with the EC Treaties. This issue touches upon the question of policy consistency, as other considerations besides those related to health and social policy were unacceptable in justifying the retail monopolies on sale of alcoholic beverages.

In the Franzén-case, the ECJ emphasised that the Swedish retail monopoly pursued a public health aim. However, it did not consider whether the retail monopoly system was proportionate for achieving the objective of protecting public health.⁵⁴ The case was mainly construed as a matter of trade discrimination. Nonetheless, the strong health and social policy profile of the Nordic retail monopolies is important in order to understand why the Commission in 1993 accepted the maintenance of these monopolies.

5.3 The Tax and Price Instrument Under Pressure

The taxing principles adopted by the EU required that Finland, Norway and Sweden had to remove the value element of the excises on alcoholic beverages. This implied that excises on alcoholic beverages in the Nordic countries would be exclusively based on alcohol content or volume. The new taxing principles therefore implied that some discriminatory practices that were referred to in Chapter 2 would cease. There was little resistance from the Nordic governments against these changes (Informants). It was difficult to justify a tax structure that seemed to favour cheap domestic beverages in relation to more expensive imported products. Further, this change would neither cause any detrimental effects to people's health.

⁵⁴ Case C-189/95 *Allmänna Åklagaren v Harry Franzén*.

This is an example of how a policy component that was said to be loosely integrated and weakly linked to the health and social policy objective of Nordic alcohol control policies, become adapted without much resistance in the meeting with the EU. However, the discussions over the quantity of alcoholic beverages that can be brought into the Nordic countries by people coming from other EU member states were marked by disagreement.

5.3.1 Discussion: Policy Integration and Justification

The restrictions on travellers' personal imports were regarded as tightly linked to the health and social policy objective underlying the restrictive alcohol control policies in Finland, Norway and Sweden. This was emphasised from the Nordic political authorities prior to, as well as during and in the aftermath of the accession negotiations. The Commission on the other hand considered these restrictions to be a derogation from a fundamental principle of the internal market, and it was in this context Finland and Sweden engaged in negotiations with the EU in the autumn of 1996.⁵⁵

In the discussions with the EU, both the Finnish and the Swedish governments emphasised that easing the travellers' imports restrictions would put pressure on the high tax levels, which in turn could lead to reduced prices. This development was said to weaken the national alcohol control policy, and both the consumption and the level of alcohol related harm was assumed to increase as a result.

In addition, it was also claimed that other policy components would be affected. For instance, it was feared that in a longer time perspective, the increase in cross border trade with alcoholic beverages would indirectly undermine the position of

⁵⁵ Norway did not take part in these negotiations since the Norwegian people in 1994 decided against EU membership.

the retail monopolies, as alcohol would become more readily available through other canals. Personal import limits on 10 litres of spirits, 20 litres of strong wines, 90 litres of table wines and 110 litres of beer means that a quantity corresponding to between two and three times the average consumption per year per person in the Nordic countries can be brought back after one single trip abroad. This illustrates how the two main pillars of Nordic alcohol control policies, the state alcohol monopoly systems and the high taxes and prices, have been regarded as interdependent.

In Chapter 2, the high alcohol taxes and prices was regarded as a policy component that was tightly linked with the aim of reducing the alcohol related harm, but also tightly linked with other components of Nordic alcohol policies as the retail monopolies. The firm opposition by the national governments of Finland, Norway and Sweden to the policy re-categorization initiatives, and the proposed adjustments to the EU limits on travellers' imports should be viewed in this light.

However, why did Finland and Sweden respond differently in relation to this issue during the renegotiations that commenced during the autumn 1996?

The tax levels in Finland and Sweden did not vary to a substantial degree, but the restrictions on travellers' imports seemed to play different roles in the two countries. Geographical aspects seemed important for understanding why Finland towards the end of 1996 accepted to abolish the restrictions by 31 December 2003, while Sweden refused to accept this deadline.

While both the Finnish and the Swedish governments regarded the restrictions on travellers' imports of alcoholic beverages as a legitimate policy component that could be justified with reference to health and social policy considerations, it seems that it was easier for Finland to accept these demands from the EU. Finland is to a larger degree than Sweden shielded from travellers' imports of cheap alcohol from other EU member states. In terms of policy interdependence, the link between the

import restrictions and the objective of reducing alcohol related harm therefore seemed to be weaker in the Finnish case. For Finland it was more important to restrict the import of alcohol from countries outside the EEA, and especially from Estonia and Russia. This was emphasised by the Finnish delegation in its discussions with the European Commission (Helsingin Sanomat, 1996). The Minister for Finance in Finland, Saul Niinistö, further claimed that it was crucial to negotiate an agreement with the Commission for tactical reasons. He claimed that he did not want this issue to go to the ECJ for settlement, as the court usually rules strictly in accordance with the provisions of the internal market (Helsingin Sanomat, 1996). For Sweden, the Finnish compromise may have provided as a backup solution in their efforts to achieve a more favourable agreement.

Although the restrictions on travellers' imports were justified on the grounds of health and social policy considerations, Niinistö also emphasised that dismantling these restrictions would have a large impact on the Finnish government's budget. Therefore it was deemed necessary to phase out the restrictions stepwise over a longer time period, to avoid running the risk of a Court decision requiring an immediate adaptation to the EU rules. He claimed that the "ideal situation would be for us to get along calmly, so as to perceive the actual changes in the consumption and in that way in the national economy" (Helsingin Sanomat, 1996).

From the Swedish side, economic and fiscal considerations were never used to justify the travellers' imports restrictions in the discussions with the EU, and it was deemed as crucial to strictly focus on the health and social policy aspects (Informants). In spite of this, the EU seemed to question the argumentation behind these restrictions. This was clearly evident in the discussions with Sweden that took place during the first half of 2000. Notions of policy consistency, interdependence and structural connectedness seemed to play an important role in the argumentation presented by the EU.

Firstly, and referring to the notion of policy consistency, the Commission openly

questioned the motives behind the travellers' imports restrictions in its discussions with Sweden (Informants). It suggested that the Swedish rules were motivated by economic and fiscal interests, and by pointing to the activity of the state owned alcohol producer and exporter Vin & Sprit, the health and social policy arguments were regarded as suspicious (Informants). Representatives from the Swedish delegation in the negotiations claimed that this is an argument that they often meet at the EU level in discussions over Swedish alcohol control policies, and that this argument often tends to complicate the process of justifying the restrictive control policies in relation to alcohol (Informants).

Secondly, the Commission further seemed to question the links between the restrictions on travellers' imports, and the level of alcohol consumption and alcohol related harm in the society. For instance, a research report was referred to that concluded that increased import quotas would not have serious detrimental health and social effects (Informants). Commissioner Bolkestein here referred to Berggren and Lindgren (1995), and he claimed that this study "has clearly demonstrated that the abolition of the restriction will not lead to higher alcohol consumption in Sweden" (The Key, 2000: 18). The question of policy interdependence is here key.⁵⁶

Thirdly, the Commission further indicated that the Swedish government did not seem to have support from the Swedish people on this question. A spokesman from the Commission showed the Swedish delegation a list of several thousand e-mails that the Commission had received from Swedish nationals protesting that they were being discriminated against compared to other Europeans. The request in these e-mails was to abolish the restrictions on travellers' imports in accordance with the EU rules (Informants).

⁵⁶ It should also be mentioned here that other research has indicated that reduced alcohol prices due to increased cross border trade most likely will lead to increased consumption, and thereby have detrimental health and social effects (Skog, O-J, Ø. Horverak, S. Nordlund and T. Norström, 1993).

These arguments touch upon central aspects related to the notion of policy integration. However, the key argument from the EU was that the issue of travellers' personal imports was viewed in relation to the principle of free movement of goods within the internal market, which was regarded by the Commission to be one of the most fundamental principles in the EU co-operation (Informants). As in the discussions over the monopoly issue, the European Commission emphasised that the objective of reducing alcohol related harm was not unlawful. However, restrictions on travellers' imports were not regarded as proportionate given the fundamental principle of free movement of goods within the internal market.

Summing up, although Finland and Sweden responded differently in the renegotiations of the restrictions on travellers' imports in 1996, the similarity in responses in this process should not be ignored. Both countries have firmly resisted adapting to the EU rules for an extensive period of time, since these restrictions were regarded as tightly integrated with the overall area of alcohol control policy. While the Commission already during the accession negotiations in 1994 claimed that the Nordic countries had to abolish the restrictions, both Finland and Sweden can continue to restrict the quantity of alcoholic beverages that can be brought into their countries by people coming from other EU member states until 2004, at which time they must adopt the EU rules.

5.4 Policy Re-categorization, Reconsideration and Reinterpretation: A Question of Appropriate Use of Policy Instruments

Policy re-categorization refers to processes in which existing components of a domestic public policy area become redefined or reframed against the background of predominant EU patterns of substantive and procedural standards, and thereby

detached from their established context. It has here been illustrated how the two main pillars of Nordic alcohol control policies became detached from their established health and social policy context, and re-categorized to instruments of commercial character in the meeting with the EU.

The responses from Finland, Norway and Sweden to these re-categorization initiatives were marked by complexity, and both similar and contrasting responses could be identified. The argument that has been made in this dissertation is that this complexity should be viewed in relation to how the alcohol control policies in the three countries were integrated prior to the meeting with the EU.

The import, export, wholesales and production monopolies were differently integrated in the overall alcohol control policy area in Finland, Norway and Sweden. The link between these monopoly functions and the objective of reducing alcohol related harm in the society seemed to be tightest in the Norwegian case, and the defence of the established monopoly system was also strongest in Norway. The retail monopolies in the three countries seemed to be equally linked to the health and social policy objective, and Finland, Norway and Sweden were all defending this monopoly function against the re-categorization initiatives. The tax structures were however easily adapted in the three countries, as the existing taxing principles could not be justified with reference to health and social policy considerations. The restrictions on travellers' imports of alcoholic beverages are currently in the process of being phased out in Finland and Sweden after a process marked by firm domestic resistance. Each of the three Nordic countries greatly emphasised the importance of maintaining the established restrictions during the accession negotiations. These restrictions were regarded as crucial in order to maintain the high alcohol taxes and prices in these countries, which in turn are expected to reduce overall alcohol consumption and alcohol related harm. A similar approach in relation to this issue was followed by contrasting responses from Finland and Sweden during the renegotiations of these restrictions in 1996. During this phase, more strategic considerations must be drawn into the analysis in order to increase

knowledge about why Finland and Sweden responded differently. Despite this, the overall impression after studying the Nordic responses after parts of their health and social policy oriented alcohol control policies became re-categorized as instruments of a commercial character is that policy components that were tightly linked with the health and social policy objective were defended to a larger extent than policy components that could not be justified in relation to this objective. The Nordic responses should therefore be viewed in relation to contrasting patterns and degrees of alcohol control policy integration.

In Chapter 1, it was emphasised that the domestic responses to processes of policy re-categorization initiated by the EU could be interpreted in accordance with two basic frames, either as a consequential action (*logic of expected consequences*), or alternatively as a rule-based action driven by senses of identity (*logic of appropriateness*) (March and Olsen, 1989; 1995; 1998).

The first frame is based upon a rational-choice model, in which (self-)interests and utility-maximisation form key elements. According to the second frame, the responses will be based on ethical and cognitive considerations, and they may be interpreted as expressions of what is perceived as exemplary, natural, or acceptable behaviour according to purposes, codes of rights and duties, practices, methods, and techniques of the constituent group and of the self (March and Olsen, 1998).

Based upon the above analyses, the argument here is that although strategic considerations may come into play, the complexity of the Nordic responses can best be comprehended on the basis of a logic of appropriateness, by which the responses reflected contrasting patterns of alcohol control policy integration. The argument is not that the Nordic countries did not try to pursue their interests in the meeting with the EU. On the contrary, each of the three countries seemed to place great emphasis on the objective of maintaining their restrictive alcohol control policies. However, given the objective of reducing alcohol related harm in society, the actors' arguments in this process seemed structured around the following

acknowledgement: Alcohol control policies and policy components can be regarded as more or less appropriate in relation to the health and social policy principles they are intended to promote and protect. In this way, the actors seemed to look beyond the collisions in interests or norms that they initially were faced with when considering the policy re-categorization initiatives.

More specifically, the policy re-categorization initiatives in the meeting with the EU seemed to set off a process by which policy components that had been taken as given and which had gone untested for an extensive period of time became reconsidered at the domestic level. In this process of reconsideration, the re-categorization initiatives could be viewed as more or less consistent with the principles on which these policies and policy components actually were operating. In this perspective, the re-categorization of the Finnish import, export, wholesale and production monopolies from health and social policy instruments to instruments of a commercial character seemed to be in line with the actual development concerning the activities of these monopolies since the early 1980s. Gaps between the officially stated objectives and actual practises were acknowledged on the domestic level, and adaptation therefore became easy. In Norway, the re-categorization of these monopolies did not seem to match with the activities and actual development of the state alcohol monopolies, and adaptation became more problematic. The retail monopolies and the restrictions on travellers' imports were considered to be tightly linked with the health and social policy objective, and the three Nordic countries equally resisted the re-categorization initiatives from the EU. The tax structures were however easily adapted in Finland, Norway, and Sweden, as they could not be justified from a health and social policy perspective.

On a more theoretical level, the policy re-categorization initiatives by the EU seemed to set of a process of policy reconsideration at the domestic level in Finland, Norway and Sweden. In this process, there seemed to exist a recognition among the actors that policies and policy components could be more or less appropriate in relation to the legitimate principles they were intended to promote

and protect. The question was here whether the existing policies and policy components could be justified from a health and social policy perspective. In this context, the policy re-categorization initiatives could either result in a rediscovery or reconfirmation of the legitimacy of the health and social policy principles underlying these policies, or they could cause a refutation and replacement of the existing principles. In the first case, the policy re-categorization initiatives activated resistance and conflict, while in the second the adaptation became easier as the relationship between policies and principles was reinterpreted. In sum, the domestic responses seemed to reflect ethical and cognitive considerations of what constituted exemplary, natural and acceptable behaviour.

Shifting focus to the role of the EU, the high priority of competition policy and the internal market is clearly reflected. However, the policy re-categorization of Nordic alcohol control policies also illustrates that notions of appropriateness of policy instruments in relation to policy objectives seemed to be of importance on the EU level.

Concerning the question of appropriateness of policy instruments, there seemed to exist some rule-sets, norms, identities, and standards of appropriateness that were shared by the Nordic countries and the EU. First, there seemed to be an agreement about that Nordic alcohol control policies only could be justified from a health and social policy perspective. Second, all parties seemed to agree that although that these policies could be justified with reference to health and social policy considerations, they should not be discriminatory or distort competition between the contracting parties.

A tight link between policy instruments and policy objectives does seem to be of importance in order to gain greater understanding of what makes some policies and policy components more robust and stable than others as they tend to be defended to a greater extent at the domestic level. This being said, a tight link does not prevent policy components from being re-categorized as other areas of public

policy in the meeting with the EU. This was seen in the discussions on travellers' personal imports. Much of the disagreement between the Nordic countries and the EU in this process concerned the question of how tight the link between the policy instruments and the health and social policy objective had to be in order to be justified. This is a question of proportionality, and on a general level it seemed that in order to exempt a specific area of social activity from the norm of free market competition, the EU requires a tight link between policy instruments and the objectives pursued.

The comprehensive and wide-reaching monopoly systems were in this perspective regarded as problematic, and the import, export and wholesale monopolies have been abolished in each of the three countries. On the other hand, the link between the retail monopolies and the health and social policy objective was acknowledged by the Commission, and this policy component has also been maintained in Finland, Norway and Sweden.

In the discussions over the restrictions on travellers' imports, the Nordic countries and the Commission differed with regard to whether this policy component was proportionate to the objective of reducing alcohol related harm, as well as with regard to how tight this policy component was linked to the health and social policy objective. It appears that the link must be particularly tight when it touches upon fundamental principles of EU co-operation, like the free movement of goods.

These findings should be viewed in relation to the question of how Nordic alcohol control policies have become affected in the meeting with the EU. This question will be further discussed in the next chapter. Here, issues related to whether Nordic alcohol control policies have drifted into disintegration will be discussed.

CHAPTER 6

DISINTEGRATION AND REINTEGRATION OF NORDIC ALCOHOL CONTROL POLICIES

6.1 Introduction

Policy disintegration has here been defined as a process that splits up what have previously been considered as united components of a coherent and consistent area of public policy. In Chapter 1, processes of policy disintegration were assumed to be of particular relevance in connection with substantive mismatches where a specific public policy area could be described as unique for one nation state or for a group of nation states that sought increased integration with the EU.

Nordic alcohol control policies have been portrayed as unique in a European context, and from a Nordic perspective, the alcohol control policies of Finland, Norway and Sweden have traditionally been regarded as being tightly integrated with the health and social policy objective of reducing the prevalence of alcohol related harm in the society. However, based upon the criteria of policy consistency, interdependence and structural connectedness, this perspective has been challenged in this dissertation. For instance, it has been illustrated that commercial and economic considerations had largely infused this area of public policy in each of the three countries, and that many of the basic values, causal assumptions and problem perceptions that had long been associated with these policies, became increasingly questioned during the 1980s. Accordingly, signs of alcohol control policy disintegration could already be identified prior to decisions by Finland, Norway and Sweden to participate more actively in the European integration process. The question of whether Nordic alcohol control policies have been exposed to pressures for policy disintegration due to increased integration with the

EU has to be viewed against this background.

Further, variations in patterns and degrees of alcohol control policy integration among the three countries were assumed to challenge and perhaps weaken both the motivation and the ability to cooperate on these issues. Therefore, the question is also whether increased European integration for Finland, Norway, and Sweden has contributed to a process of disintegration of Nordic alcohol control policy cooperation and coordination.

Towards the end of this chapter this discussion will be viewed in connection with the question of whether the problem-solving capabilities in relation to alcohol control have been changed or challenged in the Nordic countries due to the meeting with the EU. This question can also be addressed based on the notion of policy integration.

6.2 Disintegration of Nordic Alcohol Control Policies?

Nordic alcohol control policies were not approached from a holistic perspective, and most policy components were not affected in the meeting with the EU. However, both the challenge of the state alcohol monopoly systems and the restrictions on travellers' personal imports provided examples of how individual policy components became detached from other alcohol control policy components, as well as the overall policy area they formed parts of. This observation supports the disintegration hypothesis.

The way the state alcohol monopoly systems were split up can further provide as example of disintegration of an individual alcohol control policy component. The state alcohol monopoly systems were presented as comprehensive and unified systems by the Nordic countries in the declaration that was attached to the EEA

Agreement. Even in Sweden, where the monopoly functions were organised through two different state owned companies “the alcohol monopoly” has often been referred to in the singular (Swedish Ministry of Health and Social Affairs, 1993). However, the EU not only viewed the alcohol monopolies in isolation from other alcohol control policy components, the different functions of the monopolies were also considered separately. The import, export, and wholesale monopolies were said to be incompatible with the EC Treaties, while the retail sale monopolies could be retained under the condition that they were functioning in a non-discriminating manner.

This policy disintegration was facilitated through processes of policy re-categorization, as the health and social policy oriented alcohol control policies became redefined and reframed against the background of competition policy and the internal market. However, some of the policy components that became re-categorized in the meeting with the EU may be viewed as loosely integrated or even random elements of the health and social policy oriented alcohol control policies of Finland, Norway and Sweden.

The state alcohol monopoly systems were described as loosely integrated systems prior to the meeting with the EU. Some of the activities of the import, export, wholesale, and production monopolies were weakly linked and perhaps even contradictory to the main objective of reducing alcohol related harm. The abolishment of these monopolies therefore seemed to reduce some long-established incoherencies and inconsistencies in Nordic alcohol control policies. The tension between health and social policy considerations on the one hand, and commercial and economic considerations on the other hand, is here key. The remaining retail monopolies were more tightly linked to the health and social policy objective than the other monopoly functions, and the state alcohol monopoly systems now seem to be more co-ordinated and coherent towards the objective of reducing the alcohol related harm in the Nordic societies.

Based upon this, it can be argued that the elimination of the import, export, wholesale and production monopolies, which had become more oriented towards economic and commercial interests during the 1980s, in fact have had reintegrating effects on Nordic alcohol control policies. The health and social policy profile has become strengthened and the overall policy area more integrated due to the partial abolition of the state alcohol monopoly systems. This description seems particularly valid in the Finnish and the Swedish cases. From its inception, the Swedish state alcohol monopoly system was built on a disintegrated model, while the structurally integrated Finnish state monopoly aimed at balancing possible inconsistencies within one company.

It is possible to identify similar reintegrating effects also in relation to the adaptation to the tax structures in the EU. The old Nordic systems, which seemed to favour domestic beverages, were replaced by a system where the excises on alcohol exclusively would be based on objective criteria as alcohol content or volume.

Concerning the restrictions on the imports of alcoholic beverages by travellers for personal use, it may be more difficult to speak about any reintegrating effects. These restrictions were viewed as tightly linked with the objective of reducing the alcohol related harm in the Nordic countries. The increased limits for Finland and Sweden therefore represent a threat to the presently low consumption levels in these countries, as pressure for reduced alcohol taxes and prices has increased.

Despite this, the Commission questioned the link between restrictions on travellers' imports and the objective of reducing alcohol related harm in the discussions with Sweden. The Commission claimed that this link was not tight enough given the importance that is placed upon the principle of free movement of goods within the EU. In the EU, acceptance for policy instruments that may restrict free trade seems to not only depend upon whether there exists a legitimate objective or purpose behind the restrictions. Supported by a number of Court decisions, there is also a

requirement within the EU that when a specific area of social activity on the domestic level has been exempted from the norm of free market competition, the restrictions applied must be proportionate towards the objectives pursued. As has been illustrated, the links between the objectives underlying Nordic alcohol control policies and the policy instruments used were on several occasions evaluated and considered to be too weak.

It may seem that the requirements for tighter links in relation to alcohol control initiatives to some degree has been acknowledged in the Nordic countries. For instance, in connection with the Swedish Presidency of the EU during the first half of 2001, the Swedish government aimed to put the alcohol issue on the political agenda. It was here said that: “Sweden wants to actively contribute to a Community strategy to reduce the harmful effects of alcohol” (Programme of the Swedish Presidency of the EU, 2001).

This initiative differs somewhat compared to what has been the tradition in the Nordic countries in relation to the approach on alcohol control. The focus in Finland, Norway and Sweden has traditionally been on the population in its entirety through a formalised network of statutory regulations aimed at reducing the total consumption of alcohol, and thereby also the prevalence of the aggregate alcohol related harm in the society. Although that the ambitions in the longer term is to establish a more comprehensive Community strategy, the Swedish initiative on the EU level focuses to a large degree on a specific age group, namely young people. This strategy was specified by the Swedish Minister for Health and Social Affairs in a speech to the European Parliament in January 2001: “Another priority issue will be alcohol. In our opinion, alcohol must be viewed not just as an issue for agriculture or the internal market but also as a major public health issue. It is after all the second greatest health hazard after tobacco. In this area, we will be working with the recommendation on children’s and adolescents’ alcohol consumption,

presented by the Commission in December”.⁵⁷ The measures recommended by the Commission in this proposal are education, information and health promotion. With regard to advertising of alcohol, it is stressed that: “within the Commission there are currently no plans for a ban” (Commission, 2000).

The awareness of the link between alcohol and harm seems to be weak in the EU and in most of the EU member states, but by adding young people as an intervening variable awareness seems to increase. For instance, in 1997 more than 200 MEPs gave their backing to a campaign to clamp down on “alcopops”, the sweet-tasting alcoholic drinks which from the second half of the 1990s became increasingly popular among very young persons in the European countries (European Voice, 1997). Also Nylander (2000) has illustrated how alcohol problems often end up being discussed and treated as a problem related to youth and adolescents in the EU.

The Nordic countries have maintained that the focus also in the future should be given to the whole population, where the aim is to reduce the total consumption of alcohol in society. However, as Sutton and Nylander have emphasised in relation to policies on alcohol control: “Different political strategies may be necessary at different levels” (1999: 87). They claim that a comprehensive Nordic-style alcohol control policy based upon a public health framework is not likely to be adopted on the EU level in the short to medium run. A more flexible framework is instead suggested, as alcohol control can be conceived through other lenses. They mention for instance traffic safety, consumer protection, environment, safety in the workplace, and crime as examples. In accordance with this way of reasoning, it seems that the Swedish government is currently making an attempt to frame alcohol as a youth issue in order to raise the awareness, but also in order to open up for the adoption of regulatory and non-regulatory action in relation to alcohol control on the EU-level. The Swedish government has also indicated that a focus

⁵⁷ Speech by the Swedish Minister for Health and Social Affairs, Lars Engqvist, to the European Parliament, 23 January 2001.

on pregnancy can prove fruitful in the attempts at establishing a Community strategy to reduce the harmful effects of alcohol (Hasselgren, 2001).

Both trends of policy disintegration and reintegration of Nordic alcohol control policies have been identified in the meeting with the EU. Further, the element of policy justification seems to have increased in importance. In this process of justification, the link between the objectives underlying Nordic alcohol control policies and the policy instruments applied must be tight in order to be justified vis-à-vis the EU. Given the substantive policy mismatch in relation to alcohol control that has been illustrated in this dissertation, one way to tighten this link can be to frame alcohol control in relation to other policy issues that are more recognised and acknowledged at the EU-level and in other member states. The Swedish government appears to have acknowledged this strategy.

It is too early to say whether a more narrow and issue specific focus on the EU level will lead to a process of domestic alcohol control policy disintegration. However, this issue will be further discussed in the final chapter of this dissertation, where the question is raised whether trends of homogenisation and convergence can be identified in the approach to alcohol and alcohol control in Europe.

6.3 Disintegration of Nordic Alcohol Control Policy Co-operation?

The alcohol control policy co-operation and coordination between Finland, Norway and Sweden has traditionally been extensive. Ideas and experiences have been exchanged between the temperance movements, the monopolies and the political administrative levels in the three countries through both formalised and more informal channels over an extensive period of time (Holder et al., 1998; Sulkunen, Sutton, Tigerstedt and Warpenius et al., 2000).

However, in the meeting with the EU, the Norwegian and the Swedish temperance movements failed to agree on a common strategy. At the same time, the Finnish movement was in the process of discontinuing its activities completely, and it seems justified to say that the Nordic temperance co-operation therefore drifted into disintegration during and in the aftermath of the EEA and accession negotiations. The Nordic Temperance Council (Nordiska Nykterhetsrådet (NNR)) was eventually closed down in 1996, and replaced by a less formalised network (Informants). Further, bearing in mind the different Nordic responses both when the state alcohol monopoly systems and the restrictions on travellers' imports became challenged, one may ask whether Nordic political co-operation in the alcohol control policy field has drifted into disintegration?

This question can be discussed in relation to four different hypotheses dealing with the impacts of European integration on Nordic co-operation presented by Olsen and Sverdrup (1998: 11-12). The *disintegration* hypothesis is that increased European integration will lead to reduced interest in Nordic co-operation, and that this co-operation over time will be less relevant. The *renaissance* hypothesis is that increased European integration will lead to a revitalisation and expansion of the Nordic co-operation. The main idea here is that Nordic co-operation will be rediscovered as the Nordic countries through their increased contact with the wider Europe will realize how much they have in common. The *transformation* hypothesis is that increased European integration will lead to fundamental changes in the Nordic co-operation more than disintegration and expansion. Changes in relation to what, with whom and how co-operation is organised, are here of relevance. The *status quo* hypothesis is that increased European integration will not lead to any significant changes in Nordic co-operation. The idea here is that Nordic and European co-operation are not related, and that the two processes will develop more or less independently from each other.

These hypotheses can be applied in order to analyse the main tendencies in the Nordic alcohol control policy co-operation, and it should be emphasised that the

actual development may be characterised by several, and perhaps even contradictory trends. This means that several of the four hypotheses may be supported.

Based on this acknowledgment, it seems that the status quo hypothesis has little or no support. The European integration process has had a large impact on the Nordic co-operation in alcohol control policy related questions. This will be clear in the discussion of the three remaining hypotheses.

In accordance with the renaissance hypothesis, the contacts and co-operation between the three Nordic countries increased in intensity both prior to and during the EEA and EU negotiations (Informants). Representatives from the political administrative authorities in Finland, Norway and Sweden met regularly to discuss alcohol related questions during these processes. Although the intensity of this co-operation became reduced due to the fact that the three Nordic countries responded differently in the negotiations with the EU, co-operation between the political administrative authorities in the three countries is still marked by a higher intensity than before the meeting with the EU (Informants). Also representatives from the Nordic state alcohol monopolies had frequent contact in connection with the EEA and accession negotiations. This cooperation has been maintained, but it has become less frequent since the end of the 1990s (Informants).

It has been argued in this dissertation that in order to understand why the Nordic co-operation failed in relation to the state alcohol monopoly issue, one has to focus on the contrasting patterns and degrees of alcohol control policy integration. The fact that the Finnish, Norwegian and Swedish monopolies were differently integrated implied that the substantive mismatch between the domestic and the EU level was different for the three countries. Variations in patterns and degrees of alcohol control policy integration are in this perspective assumed to challenge and perhaps weaken both the motivation and the ability to cooperate. It remains to be seen how the Nordic countries will cooperate in the area of alcohol control policy

in the future, but the fact that the alcohol control policies in the three countries now seem to be more integrated may indicate a potential for a renaissance for Nordic cooperation. The former director of the Swedish state alcohol retail monopoly has argued along these lines. He claims that: “the possibilities for joint efforts have actually grown, now that the Finnish retail monopoly has separated from the rest of the big national alcohol group” (Stenius, 2000).

In accordance with the disintegration hypothesis, the Nordic Temperance Council was dissolved in 1996. The EU question seemed to be of importance in this process, as the Norwegian and the Swedish temperance movements failed to agree on a common working strategy. However, in 2000 it was decided that a new and more formalised network would be re-established. This new network is called NordAN (Nordic Alcohol and Drug Policy Co-operation). According to the statutes, NordAN shall arrange an annual conference on alcohol and drug related issues (NordAN, 2000).

Both disintegration and reintegration or renaissance have been observed in this process. However, also the transformation hypothesis seems to capture important aspects of what has happened with Nordic co-operation in the alcohol control field. Much of the Nordic co-operation in relation to alcohol issues now takes place within a EU and a wider European context. For instance, much of the cooperation between the Nordic governments now deals with the question of whether their alcohol control policies are compatible with the EC Treaties. The three countries have for instance coordinated their standpoints in a number of court cases concerning the validity of various national alcohol control policy measures.

Nordic cooperation in relation to alcohol control issues is also evident in the EU funded research study “European Comparative Alcohol Study” (ECAS) that was established in 1998. The aim here was to examine the approaches to alcohol control in the EU member states, and to discuss the scientific, social, economic, and

political dimension of the issue “Alcohol and Health”.⁵⁸ Nordic institutions have been central in this work, and researchers situated in Helsinki, Stockholm and Oslo carried out the research. The project had a support staff at the Swedish Institute for Public Health and collaborating partners from each of the study countries. Norway is the only non-member that is included in this study.

The European School Survey Project on Alcohol and Other Drugs (ESPAD) is another project in which much of the Nordic co-operation in this field now takes place. ESPAD was initiated in 1993 by the Swedish Council for Information on Alcohol and Other Drugs (CAN), and the main purpose is to collect comparable data on alcohol, tobacco and drug use among 15-16 year old students in as many countries as possible. In 1999, 30 European countries participated (ESPAD, 1999). The ESPAD project must be viewed in light of the initiatives of the Pompidou Group, which is a constituent part of the Council of Europe. The Pompidou group, whose members include the EU member states, the European Commission and also many other European and bordering countries, assists countries to develop appropriate drug policies. The EU and the Pompidou Group coordinate their activities.

While focusing on Nordic research co-operation, the Nordic Council for Alcohol and Drug Research (NAD) has during the 1990s expanded its profile. Since 1995, the activity of NAD is formally based on three pillars: The Nordic countries, the Nordic countries and Europe, and the Nordic countries and their neighbour regions, such as the Baltic States, the North-western parts of Russia and the Arctic regions (Informant).

The transformation hypothesis is also supported by the recent activities of the Nordic temperance movements. The new network NordAN not only focuses on alcohol, but also on the drug situation in the Nordic countries. The Baltic region

⁵⁸ See www.sofi.su.se/ecas2000.html.

has also been singled out for special attention in this co-operation, and organisations from the Baltic States are invited to take an active role in this network as full members (NordAN, 2000).

Further, much of the Nordic temperance co-operation in relation to alcohol control related issues is also occurring at the EU level. In 1990 an alliance of voluntary and non-governmental organisations concerned with the impact of the EU on alcohol policy in the various member states was established (EUROCARE). This alliance has member organisations in 12 of the 15 EU member states. Both organisations in Finland and Sweden are represented as full members, while the Norwegian Temperance Alliance (AL) is an associated member. EUROCARE maintains a full time Liaison Office in Brussels, and one of the main tasks is to represent the views of its members to the European Commission and the European Parliament as well as the decision-making bodies of the national member states.⁵⁹ The Norwegian Temperance Alliance was strongly involved in the process of establishing, as well as maintaining this lobby office in Brussels.

Summing up, the transformation hypothesis seems to capture important aspects of the development of the Nordic alcohol control policy co-operation in recent years. Although much of the Nordic co-operation also before the meeting with the EU took place in international contexts, for instance through the World Health Organisation (WHO), this kind of co-operation has intensified. Moreover, the relations between the Nordic countries and other regions have also changed. First, Nordic alcohol control policy co-operation has become more institutionalised as an integral part of the EU and a wider European co-operation during the 1990s. It is interesting to note the key roles the Nordic countries are playing in these new EU and European co-operative networks on alcohol control policy related issues. Second, Nordic co-operation has to some extent been expanded to also include the Baltic States. This was clearly evident when focusing on the transformation of

⁵⁹ See www.eurocare.org.

Nordic temperance co-operation, as well as the activity of the Nordic Council for Alcohol and Drug Research (NAD).

Nordic alcohol control policy co-operation has not drifted into disintegration, but there is especially one element that may complicate or hamper Nordic cooperation in this area of public policy in the future. This has to do with the fact that the Nordic countries are differently affiliated with the EU. While Finland and Sweden have become formal members of the EU, Norway is attached to the EU through the European Economic Area (EEA) Agreement. Under the auspices of this agreement, Norway has gained access to the internal market. However, since the Norwegian people rejected EU membership in 1994, Norway has little influence on EU policy making. As illustrated in this dissertation, Norway did not participate in the negotiations over the restrictions on travellers' imports of alcoholic beverages that are likely to have a great impact on Nordic alcohol control policies. Given the increased importance of the EU for Nordic alcohol control policies, Norway is highly dependent upon the efforts of Finland and Sweden when these issues are discussed in the EU. Also this issue will be subject for further discussions in the concluding chapter of this dissertation.

6.4 Policy Integration and National Problem-Solving

Policy implies some kind of purposiveness, and the question is whether the national problem-solving capabilities in relation to control of alcohol consumption and alcohol related harm has been reduced in Finland, Norway and Sweden due to the changes that have been described above? The argument here is that the question of national problem-solving capabilities can be discussed in relation to the notion of policy integration.

Finland, Sweden and Norway had a comparatively low per capita consumption and a low level of alcohol related harm in a European perspective prior to the meeting with the EU (Holder et al., 1998), and Nordic alcohol control policies should be viewed in this light.

The monopolies on import, export, wholesale, and production have now been abolished as they were regarded as obstacles to free trade and undistorted competition. In Chapter 2, it was noted that these policy components were weakly linked to the objective of reducing alcohol related harm in society, and they seemed more linked to purely commercial and economic interests. The elimination of these monopoly functions is thus not likely to reduce the political capacity for an effective intervention in the alcohol control field to a substantial degree. Instead, the health and social profile of the remaining state alcohol monopoly systems may have become strengthened due to the abolition of the import, export, wholesale and production monopolies. This is further likely to strengthen the legitimacy of Nordic alcohol control policies on the domestic level.

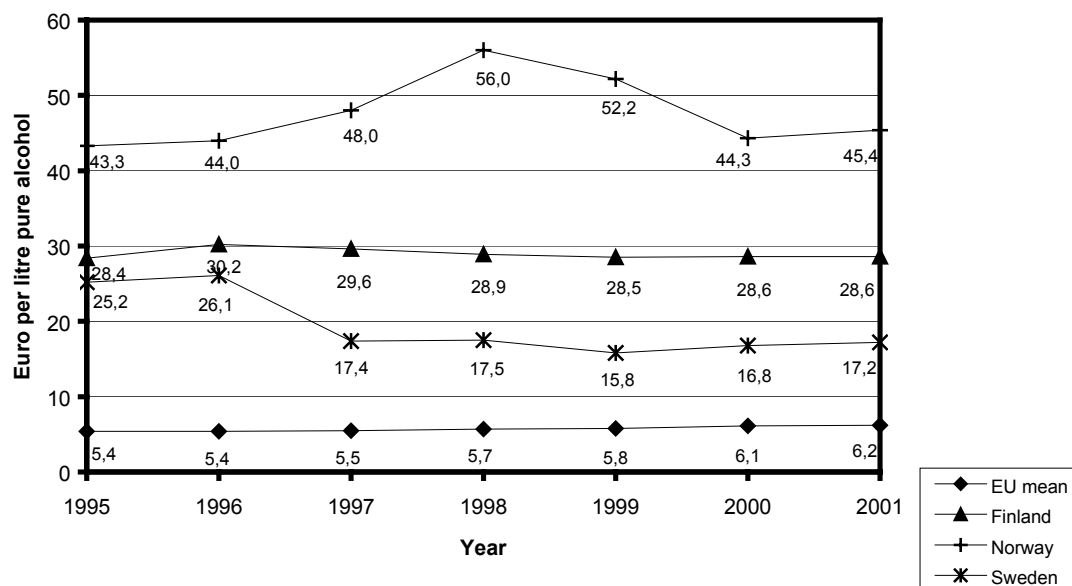
The way the high excises and prices on alcoholic beverages in Finland, Norway, and Sweden have been subject to increased pressure due to the adjustments to the EU rules on travellers' personal imports of alcoholic beverages, represents however a constraint on national problem-solving capacities in the area of alcohol control policy. This is an example of how national policy instruments that have worked well in the past have become less effective or more costly as the "exit option" has become more easily available (Scharpf, 1999: 86). Cheap alcohol from abroad, to a larger extent than before, constitutes an exit option for people in the Nordic countries in order to avoid the high taxes and prices that have been intended to reduce the economic availability of alcoholic beverages and thereby also alcohol related harm. The tax and price instrument has become less effective, and more costly to use for the Nordic governments. All in all, economic integration has confronted an established policy instrument through loss of national boundary control and increased mobility of goods.

Scharpf (1999) claims that increased international mobility creates conditions in which territorial states are forced to engage in regulatory competition against each other. This can create in turn a “race to the bottom” situation. However, even if economic pressures are crucial, the outcome need not be a race to the bottom. According to Vogel (1995), regulatory competition may also produce a situation in which states upgrade their regulatory requirements. These two scenarios can be referred to as the “exit” and “voice” alternatives. While the exit alternative refers to a race to the bottom situation, voice refers to situations in which countries may “imitate foreign models of regulation or deregulation if information about the performance of national systems is spreading through transnational communication” (Scharpf, 1999: 90). Ideally, Scharpf claims, one might even expect a form of political competition in which the best solutions will spread (1999: 90).

In the case of excises on alcoholic beverages, the possibility that other EU member states will raise their excises should not therefore be excluded. Apart from possible health gains due to reduced consumption and alcohol related harm, high excises also yield state revenue that can be fed into needy government coffers in order to finance governmental activity. However, as Scharpf emphasises, policy imitation remains a difficult and uncertain process whose outcome depends not primarily on the attractiveness of the foreign models, but on the domestic conditions affecting their adoption and implementation (1999: 90). Bearing in mind the importance of alcohol products in many EU economies, the excises on alcohol in most EU member states are likely to be low compared with the Nordic countries also in the future. However, marginal increases primarily as a means of raising governmental revenue cannot be excluded.

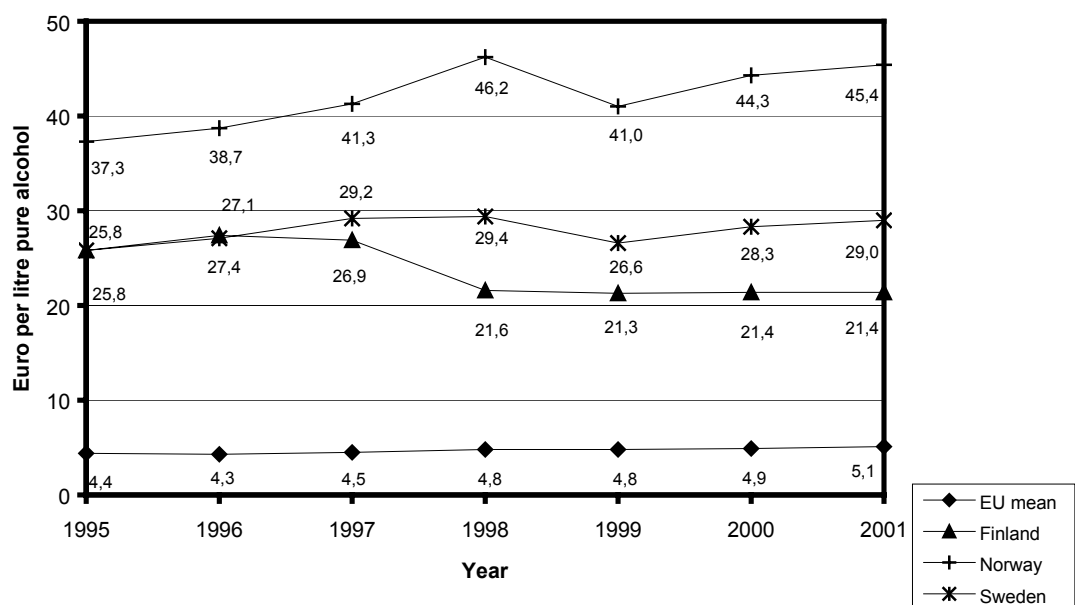
Figure 6.1, 6.2, 6.3 and 6.4 give a picture of the development of the excises on respectively beer, wine, strong wine and spirits in Finland, Norway and Sweden from 1995 to 2001. These numbers are then compared with the average for the EU member states (excluding Finland and Sweden) for the same period.

Figure 6.1 Excises on beer (5 %) in Euro per litre pure alcohol, 1995-2001.*



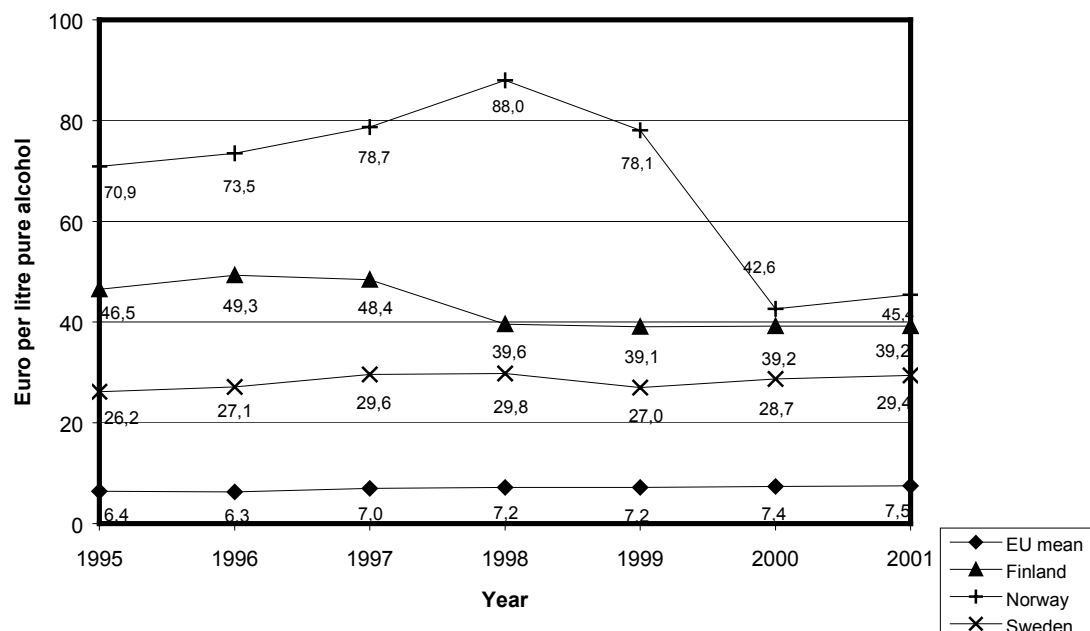
* The EU mean is based on the 15 EU member states excluding Finland and Sweden.
Source: European Confederation of Spirits Producers (CEPS).

Figure 6.2 Excises on wine (11%) in Euro per litre pure alcohol, 1995-2001.*



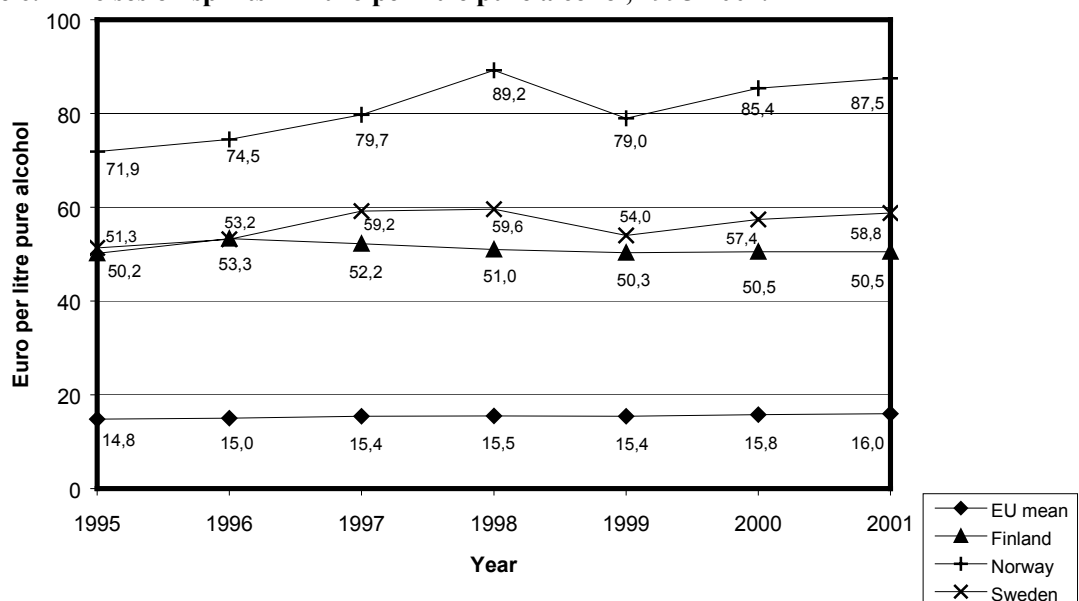
*The EU mean is based on the 15 EU member states excluding Finland and Sweden.
Source: European Confederation of Spirits Producers (CEPS).

Figure 6.3 Excises on strong wine in Euro per litre pure alcohol, 1995-2001.*



* The EU mean is based on the 15 EU member states excluding Finland and Sweden.
Source: European Confederation of Spirits Producers (CEPS).

Figure 6.4 Excises on spirits in Euro per litre pure alcohol, 1995-2001.*



* The EU mean is based on the 15 EU member states excluding Finland and Sweden.
Source: European Confederation of Spirits Producers (CEPS).

Several interesting points can be made on the basis of these figures. First, the excises on alcohol have increased continuously in the EU member states from 1995-2001. Although that the increase can be said to be marginal, the same pattern is evident for each of the four beverage categories. Based upon the EU average, the excises have increased by respectively 15 (beer), 16 (wine), 17 (strong wine) and 8 (spirits) per cent from 1995 to 2001.⁶⁰ Second, the development in Finland and Sweden, which are excluded from the estimation of the EU average, is different and more complex. The excises on beer have been reduced substantially in Sweden (32 per cent), while the development for the remaining beverage categories have increased marginally from 1995 to 2001. In Finland, the excises on wine (17 per cent) and strong wine (16 per cent) have been reduced, while the development of the excises on beer and spirits have been marked by stability. In Norway, the excises on strong wine have been reduced substantially (36 per cent), while the excises on beer, wine, and spirits have increased from 1995 to 2001.

The excise levels on the different beverage categories must also be viewed in relation to each other in this process. For instance, on 12 June 2001 the European Commission argued in a reasoned opinion to the Swedish government that due to the reduction of the excises on strong beer from 1 January 1997, the Swedish tax system afforded undue protection to beer.⁶¹ The fact that beer mainly is produced domestically, while wine comes from other member states was also emphasised. In its answer only 8 days later, the Swedish government admitted that the differences in excises between beer and wine could not be attributed to alcohol content only, and it was therefore decided to reduce the excises on wine with 18,8 per cent from 1 December 2001 in order to avoid tax discrimination against wine in comparison with beer (Regeringens proposition, 2000/01: 144).

⁶⁰ The excises has increased in 8 (beer), 4 (wine), 9 (strong wine) and 9 (spirits) of the 13 EU member states (Finland and Sweden not included) from 1995 to 2001.

⁶¹ Letter from the European Commission to the Swedish government dated 12 June 2001.

Summing up, although excises on alcohol are still substantially higher in the Nordic countries compared with the average for the EU countries, the gap appears to have been reduced in the period from 1995-2001. Political signals of further reductions in the Nordic countries in the future may indicate that this trend is likely to continue. The Swedish Minister for Health and Social Affairs, Lars Enqvist, has stated that excises must be reduced, although not “down to a European level” ((my translation) *Aftenposten*, 2001). As a result of the abolition of the limits on travellers’ imports of goods for personal consumption the objective of approximating the excises on alcohol beverages appears to some extent to be attained.

It is not accurate to talk about a “race to the bottom” with regard to alcohol excises and prices in the EU. However, due to increased cross-border mobility of alcoholic beverages the countries with the highest prices are currently adjusting their excises on alcohol downwards, which counteracts the aim of reducing alcohol consumption. In this process, the impacts of increased participation in the European integration process have occurred through the use of market forces in order to achieve an objective that could not be attained through enactment of efficient common legislation by the Council of Ministers.

In the final chapter of this dissertation, this issue and the main findings above will be discussed in relation to the question of whether trends of homogenisation and convergence are becoming more dominant, and gradually reducing the diversity in the approaches to alcohol and alcohol control among the EU member states. The question of what role the different affiliations with the EU plays will also be discussed.

CHAPTER 7

CONCLUSIONS

7.1 Europeanization of Nordic Alcohol Control Policies

Despite different affiliations with the EU, European integration has become an increasingly more relevant and important point of reference for actors in Finland, Norway and Sweden since the early 1990s. This has led to adaptation and changes in, and within, policies and institutions at the domestic level in the three countries. This conclusion aims to specify the impacts of Europeanization on Nordic alcohol control policies.

Central questions from a Europeanization perspective include; in what ways have the policy context, the policy processes, and the policy outcomes in this particularly area of domestic public policy become affected in the three Nordic countries (Andersen and Eliassen, 2001)? Further, it will be discussed whether the policy impacts have been similar for Finland, Norway, and Sweden, as well as whether trends of homogenisation in the approach towards alcohol and alcohol control can be identified on the EU level.

The overall research findings will then be used to address the main theoretical ambition in this dissertation, which was to present a contribution in the search for a more systematic knowledge about the dynamics of public policy change and continuity. Eight theoretical themes on policy dynamics will in this connection be presented. Attention is here given to specifying what makes some policies and policy components more robust and stable than others, as well as to better the understanding of processes through which changes in public policies do take place.

7.1.1 The Policy Context: Policy Mismatch and Re-categorization

Nordic alcohol control policies have been marked by a high degree of stability and continuity during most of the post war period, and this description is also valid for the two main pillars of these policies, the state alcohol monopoly systems and the high taxes and prices. However, in the meeting with the EU, substantial changes in both these pillars have been observed. In contrast, continuity has been more striking in relation to other aspects of Nordic alcohol control policies. In order to increase the knowledge of these dynamics, the policy context must be widened, and the national bias inherent in many policy studies must be ameliorated. This dissertation has emphasised the interplay between the national and the EU level.

In the area of alcohol control policy, the relationship between the Nordic countries on the one hand, and the EU and the established EU member states on the other, has been referred to in terms of a *substantive policy mismatch*, as the alcohol control policies of Finland, Norway and Sweden were regarded as unique in a EU perspective. In the Nordic countries, alcohol is primarily viewed in a health and social policy context, where the overall ambition is to reduce the overall level of alcohol related harm in society by restricting sales and consumption of alcoholic beverages. On the EU level, alcohol is treated as any other commodity, and common EU health and social policy oriented alcohol control measures have not been institutionalised. The substantive policy mismatch was further viewed in relation to contrasts in patterns and degrees of policy integration. While alcohol control measures have been introduced in most EU member states, the approach towards alcohol control in the Nordic countries was more integrated in terms of policy consistency, interdependence and structural connectedness. Alcohol control policy has in fact been regarded as a wide-ranging, and relatively independent area of public policy in Finland (*alkoholipolitiikka*), Norway (*alkoholpolitikk*), and Sweden (*alkoholpolitik*) since the early twentieth century.

On a more general level, market building has been identified as the principal project of the EU, with competition policy and the four freedoms of the internal market at centre stage. In contrast, the alcohol control policies of Finland, Norway and Sweden reflect a Nordic tradition of firm belief in and strong commitment to state market intervention.

In the theoretical discussion, it was assumed that this substantive policy mismatch would have certain implications for the way Nordic alcohol control policies would be affected in the meeting with the EU. By considering the various components constituting Nordic alcohol control policies as economic instruments, it was assumed that the cognitive structures associated with Nordic alcohol control policies could become challenged through processes of *policy re-categorization*. Policy re-categorization here refers to processes whereby existing components of a national public policy area become redefined or reframed against the background of predominant EU patterns of substantive and procedural standards, and thereby detached from their established context. In accordance with this assumption, the subsequent analyses illustrated both that the state alcohol monopoly systems and the restrictions on travellers' personal imports of alcoholic beverages became detached from their established health and social policy context, and re-categorized as instruments of commercial character in the meeting with the EU.

Summing up, Finland's, Norway's and Sweden's increased participation in the European integration process accentuated the substantive policy mismatch between the Nordic countries and the EU in the area of alcohol control policy, and important aspects of these policies became subject to policy re-categorization initiatives. This process represents a crucial contextual change for Nordic alcohol control policies.

This story could have been portrayed as a story about what happens with a *health and social* policy oriented area of public policy when facing integration into a larger *market based* order where the central concern is to provide flexibility by removing barriers to trade. However, based upon a close scrutiny of the alcohol control policies

in Finland, Norway and Sweden, the policy re-categorization initiatives by the EU, as well as the domestic responses to these initiatives, this dichotomised (health/social issue versus market issue) way of thinking seemed unsatisfactory. Aspects of policy integration, legitimacy and justification are here central, thus drawing the attention towards the policy process following these re-categorization initiatives.

7.1.2 The Policy Processes: Policy Reconsideration and Justification

Collisions between health and market principles will often be associated with frictions and conflict. The policy re-categorization of Nordic alcohol control policies in the meeting with the EU should, however, only partly be viewed and conceived of as outcomes of a collision between a health and social policy order on the one hand, and an economic and market based order on the other. This becomes evident by taking a closer look at the components of Nordic alcohol control policies that became subject for policy re-categorization initiatives, as well as by studying the complexity of the domestic responses to these re-categorization initiatives, and the demands presented by the EU. Our analysis revealed that some policy re-categorization initiatives were marked by firm domestic resistance and conflict, whereas others proceeded in a smoother and less frictional manner. The contrasting responses between the three Nordic countries were in this context important.

In order to gain a better understanding of these dynamics, the notion of a public policy area as something uniform and homogeneous was challenged in this dissertation. Subsequent analyses revealed that Nordic alcohol control policies could be regarded as more or less integrated in terms of policy consistency, interdependence and structural connectedness, and that some policy components seemed more integrated in the overall policy area than others. Central parts of the alcohol control policies in Finland, Norway, and Sweden also served commercial and economic interests, and some policy components could not in fact be justified with reference to health and social policy considerations at all. Important Nordic variations in patterns and degrees of policy integration were also observed. In short,

by focusing on Nordic alcohol control policies towards the end of the 1980s, the separation between “market issues” and “social issues” did not seem to be as tidy as often is postulated.

The main research hypothesis in this dissertation was that existing patterns and degrees of policy integration could offer an important contribution in accounting for variations in the dynamics of domestic policy change and continuity in connection with processes of European integration. The policy re-categorization initiatives, as well as the domestic responses to them should be viewed in this perspective.

The argument here is that the policy re-categorization initiatives, and the changes indicated by the EU instigated a process of *policy reconsideration* at the domestic level in Finland, Norway and Sweden. In this process, the policy re-categorization initiatives could either result in a rediscovery and reconfirmation of the legitimacy of the health and social policy principles underlying Nordic alcohol control policies thus activating resistance towards changes, or they could cause a refutation and replacement of the existing principles which would lead to easier adaptation. The question here was whether or not the policy components that became subject for policy re-categorization initiatives could be justified from a health and social policy perspective.

Notions of appropriateness played a crucial role in this reconsideration and justification process. The domestic responses were based on ethical and cognitive considerations, and they seemed to reflect what was considered to be exemplary, natural or acceptable behaviour. The analyses indicated that when the policy re-categorization initiatives were consistent with the basic principles on which these policy components actually were operating, the adaptation became relatively easy. On the other hand, if the re-categorization initiatives were in opposition to these principles, the changes actuated domestic resistance and conflict.

This interpretation is based on the findings after matching the alcohol control policy integration in the three Nordic countries with the domestic responses to the policy re-categorization initiatives by the EU.

As mentioned earlier in this dissertation, the argument here is not that the Nordic countries did not try to pursue their interests in the meeting with the EU. On the contrary, the Finnish, Norwegian and Swedish political authorities strongly emphasised the desire to maintain their health and social policy oriented alcohol control policies. Moreover, the policy re-categorization initiatives can be viewed as expressions of fundamental EU interests related to the promotion of free markets. However, this process seemed to progress beyond these collisions and conflicting interests, and the power asymmetry that clearly exists between the Nordic countries and the EU became a less relevant reference point for understanding the process that followed the re-categorization initiatives. The objective of reducing alcohol related harm in society was regarded as legitimate from both sides, and the question then became: Which components of Nordic alcohol control policies can be legitimated and justified from a health and social policy perspective?

In this process, there seemed to exist some rule-sets, norms, identities, and standards of appropriateness that were shared by the Nordic countries and the EU. First, there seemed to be an agreement about that Nordic alcohol control policies could only be justified from a health and social policy perspective. Second, all parties seemed to agree that even if these policies could be justified with reference to health and social policy considerations, they should not be discriminatory or distort competition between the contracting parties.

In this perspective, the comprehensive and vast monopoly systems were difficult to justify with reference to health and social policy considerations. This was especially difficult in the case of the commercially oriented import, export, wholesale and production monopolies in Finland and Sweden, which may increase the knowledge about why adaptation became easier for these countries compared to

Norway. In the Finnish and Swedish cases, the policy re-categorization of these policy components as economic instruments matched and was consistent with the basic principles on which these policy components actually were operating. In the Norwegian case, the re-categorization was more in opposition to the existing principles, and the adaptation became problematic. However, the EFTA Court held in the Restamark case that the existence of import monopolies should be regarded as discriminating *per se*, and the Norwegian decision to finally agree on the partial abolition should be viewed in this light.

In the early phases of this process, it was also uncertain whether the retail parts of the Nordic state alcohol monopoly systems could be maintained. Although the retail function maintained a stronger health and social policy profile than the remaining monopolies, it too became re-categorized as an instrument of a commercial character in the meeting with the EU. However, the retail monopolies were defended in each of the three Nordic countries, indicating that policy components that were more tightly linked to the health and social policy objective were regarded as more legitimate at the domestic level, as well as easier to justify vis-à-vis the EU. The health and social policy profile is important in order to understand why the European Commission in 1993 accepted the maintenance of the retail monopolies. The fact that the retail monopolies pursue a public health aim has also been emphasised by the ECJ and the EFTA Court.

The question of justification not only involved *whether* the policy components were linked with health and social policy objectives. The question of proportionality was also central, i.e. whether a specific policy component was necessary in order to achieve the health and social policy objective. The principle of proportionality therefore deals with the *character* of the links between policy instruments and policy objectives.

The question of proportionality is difficult to evaluate, and whether one specific policy component is necessary in order to achieve a desired state of affairs may be

disputable. Colliding norms and interests often come into play. This question was of major importance in the discussions between the Nordic countries and the EU. Due to the complexity of this question, it has often been left to the Courts to rule on the aspect of proportionality. In the Restamark case for instance, the Court held that a state monopoly on import of alcoholic beverages was disproportionate to the aim of protecting the health of humans.

In the discussions following the re-categorization of the restrictions on travellers' imports of alcoholic beverages to purely economic instruments, the Nordic countries and the European Commission differed with regard to how tightly this policy component was linked to the health and social policy objective, as well as whether this policy component was proportionate to the objective of reducing alcohol related harm. Each of the three Nordic countries considered the policy re-categorization of this policy component to be in opposition to the health and social policy principles on which it was actually operating, and adaptation became problematic. After a prolonged process characterised by divergent Nordic responses, a compromise involving a stepwise and long-term abolition of the Finnish and Swedish import restrictions was struck. The overall impression after this story is that the link between policy components and legitimate policy objectives must be particularly tight when it touches upon fundamental principles of the EU co-operation, such as the one related to the free movement of goods. The findings here have implications for how to assess and interpret the outcomes of the Europeanization on Nordic alcohol control policies.

7.1.3 The Policy Outcomes: Policy Disintegration and Reintegration

Europeanization has had several impacts on Nordic alcohol control policies. On the one hand, the meeting with the EU has been a story of policy disintegration. Nordic alcohol control policies were not approached from a holistic perspective, and most policy components were not affected in the meeting with the EU. Both the challenge to the state alcohol monopoly systems as well as to the restrictions on

travellers' imports, provide examples of how individual policy components became detached from other alcohol control policy components, and the overall policy area they formed parts of. The way the state alcohol monopoly systems were split up provides a further example of the disintegration of an individual alcohol control policy component.

On the other hand, the state alcohol monopoly systems were described as loosely integrated systems prior to the meeting with the EU. Although marked by national variations, some of the activities of the import, export, wholesale, and production monopolies were weakly linked and perhaps even contradictory to the main objective of reducing alcohol related harm in society. The abolishment of these monopolies therefore reduced some long-established incoherencies and inconsistencies in relation to Nordic alcohol control policies. Based upon this, it can be argued that the elimination of the import, export, wholesales and production monopolies, which during the 1980s became increasingly more oriented towards economic and commercial interests, in fact had a reintegrating effect on Nordic alcohol control policies. The health and social policy profile became strengthened and the overall policy area more integrated due to the partial abolition of the state alcohol monopoly systems. This illustrates that policy reintegration can occur through adaptation, disintegration, or even elimination of loosely integrated policy components. This description is particularly valid in the Finnish and the Swedish cases. It seems less applicable to the Norwegian case, as the state alcohol monopoly system in Norway at the outset was more integrated than the Nordic counterparts.

Concerning the abolition of the restrictions on the import of alcoholic beverages by travellers for personal use, it may be more difficult to speak about any reintegrating effects at all. Resistance to these changes was clearly expressed in each of three countries, as the imports restrictions were regarded as tightly linked to the health and social policy objective of reducing alcohol related harm. However, according to the European Commission, the same objective could be achieved by measures that were less restrictive for the free movement of goods, i.e. the restrictions on

travellers' imports of alcoholic beverages were not regarded as proportionate to the objective of reducing the alcohol related harm. To what degree policy components contribute or are necessary in order to achieve an overall policy objective, touches upon the question of policy interdependence.

The strong emphasis on the principle of proportionality by the EU in processes of policy justification may have both disintegrating and reintegrating effects on domestic public policies. On the one hand, it can contribute tightening policy integration, as it expresses a requirement for tight causal links between specific policy measures and the legitimate principles they are intended to promote and protect. Compared to what has been the tradition in Nordic alcohol control policies, it seems that the EU requires tighter and more immediate links between policy instruments and objectives in order for them to be justified. Justification of policy components from a perspective of proportionality can on the other hand also imply that attention is directed towards the necessity of the various policy components individually. To view policy components in isolation from the policy area they form parts of in this way may have a disintegrating effect on the overall policy area. It can for instance be claimed that the effects of a policy area towards a specific objective transcend and exceed the effect of the various policy components individually. This view has been expressed in relation to Nordic alcohol control policies (Bruun, 1982). By focusing on the proportionality in relation to individual policy components, the area of public alcohol control policy may become less relevant, which in turn can lead to policy disintegration.

Along similar lines, it should be noted that Europeanization appears to have led to a more flexible framework for justifying public alcohol control measures in the Nordic countries. The Swedish initiative to establish a Community strategy to reduce the harmful effects of alcohol that was presented when Sweden held the Presidency of the EU in the first half of 2001 indicates such a change. The focus in Finland, Norway and Sweden has traditionally been on the whole population, and the aim has been to reduce total consumption of alcohol, and thereby also the

prevalence of aggregate alcohol related harm in society. The Swedish initiatives on the EU level focus largely on the alcohol consumption of one specific age group, namely young people. Despite this, the Swedish government has maintained in a recent governmental report that the focus of their alcohol control policies also in the future will be on the whole population (Regeringens proposition 2000/01: 97). This may therefore indicate that the Swedish government applies different strategies on the domestic and the EU level in an attempt to justify restrictive alcohol control policy measures.

When focusing on the outcomes of Europeanization on Nordic alcohol control policies it is also of interest to look for changes at the EU level. Awareness of the potential detrimental health and social effects that can be associated with alcohol consumption appears to have increased in the EU over the last few years. Research conducted in connection with the EU funded study “European Comparative Alcohol Study (ECAS)” also indicates that this awareness has increased in the various EU member states (Karlsson and Österberg, 2001). Both southern and central EU member states have adopted stricter and wider alcohol control measures in the period from 1990 to 2000.

The need for a common alcohol strategy was for the first time expressed in a Council of Ministers for Health meeting in June 1999.⁶² There, the attention was on young people’s consumption. This process accelerated through the proposal for a Council recommendation on “Drinking of alcohol by children and adolescents” that was presented in December 2000. The Commission here claimed that: “Alcohol being one of the most important risk factors for human health, it will remain an issue of utmost importance, not only for the Member States, but also at the European Union level” (Commission, 2000). Commenting upon this proposal, the European Commissioner responsible for Health and Consumer Protection claimed

⁶² The source here is the official web page of the Finnish Presidency of the EU, maintained by the Press and Culture Department of the Ministry for Foreign Affairs of Finland (<http://presidency.finland.fi>).

that: “the youth culture underlying the drinking behaviour of young people is increasingly of an international nature, and that therefore action at Community level is increasingly justified and appropriate”.⁶³

This recommendation on the drinking of alcohol by young people was adopted in a Council of Ministers for Health meeting on 5 June 2001 (Council of Ministers, 2001). In this meeting, it was further emphasised that this recommendation should be viewed as a first step in the development of a more comprehensive Community strategy aimed at reducing alcohol related harm in the EU member states.⁶⁴

The accession of Finland and Sweden into the EU appears important in order to understand this development on the EU level. As will be illustrated in the next section, the Nordic countries have on several occasions put alcohol control policy issues on the EU agenda. Nevertheless, the Nordic co-operation in this area of public policy over the last decade is marked by complexity. The different responses in the meeting with the EU seemed to reflect variations in patterns and degrees of alcohol control policy integration in Finland, Norway and Sweden. Due to this, the policy re-categorization initiatives by the EU were interpreted differently in the domestic reconsideration processes in the three countries. However, it is incorrect to say that Nordic co-operation in this area of public policy has drifted into disintegration due to the contrasting responses to the re-categorization of the state alcohol monopoly systems and the travellers’ imports restrictions.

During the 1990s, Nordic alcohol control policy co-operation became more institutionalised as an integral part of the EU and a wider European co-operation. It is interesting to note the key roles the Nordic countries now play in these new EU and European co-operative networks on alcohol control policy related issues.

⁶³ Speech by Commissioner David Byrne at the WHO European Ministerial Conference on “Young People and Alcohol”, Stockholm, 21 February 2001.

⁶⁴ Press release from the 2354th Council Meeting, Health, Luxembourg (05-06-2001) – Council, Press: 217 - Nr: 9295/01.

Further, Nordic co-operation has to some extent been expanded to also include other areas like the Baltic States. This was clearly evident in the transformation of Nordic temperance co-operation, and a similar observation has also been made in relation to the research co-operation.

In sum, evaluating the outcomes of Europeanization on Finnish, Norwegian and Swedish alcohol control policies is marked by complexity, and trends in both policy disintegration and reintegration have been observed.

7.1.4 Different Affiliations, but Similar Impacts

The impacts of Europeanization on the alcohol control policies of the three Nordic countries do not seem to differ largely although Finland and Sweden have become formal members of the EU, while Norway is attached to the EU through the EEA Agreement. The policy context, processes and outcomes in this particular area of public policy have for the most parts been affected in the same way in the three countries. This conclusion is in line with the findings in several other studies focusing on the impacts of the EEA Agreement versus EU membership on domestic policies and institutions (Claes and Tranøy, 1999; Sverdrup, 2000).

The state alcohol monopoly systems and the tax structures have become adapted along the same lines. The fact that Norway can maintain restrictions on travellers' imports of alcoholic beverages does not imply that the Norwegian political authorities can set their alcohol taxes without considering the level and development in alcohol taxes in other and especially neighbouring countries. Cross-border trade in alcoholic beverages is a much-debated political issue also in Norway. Although that the effects on Norwegian taxes may be delayed compared to those of Finland and Sweden, in an internal market the domino logic seems to apply to cross-country differences in alcohol taxes and prices.

One important difference between the three Nordic countries viewed from a policy perspective is that Norway will have little impact on EU policy-making processes as a consequence of its non-membership. It will therefore be up to Finland and Sweden to put alcohol control policy issues on the political agenda in the EU.

Issues of this character can be put on the political agenda in various contexts. For instance, the need for initiatives in the alcohol field was expressed in the work programmes of both the Finnish and Swedish Presidencies of the EU, which they held for six months in respectively 1999 and 2001 (Programme for the Finnish Presidency of the EU, 1999; Programme of the Swedish Presidency of the EU, 2001). Especially the Swedish government used the Presidency period very actively in order to promote the need for restrictive alcohol control policy measures on the EU level. The Swedish initiative to develop a common Community strategy aimed at reducing alcohol-related harm in the EU member states has now been welcomed by the Council, and the Commission has been invited to put forward a proposal for such a strategy (Council of Ministers, 2001).

Further, during the summer of 2001 it became clear that the Finnish government intends to propose a formal motion on a common increase in the very low minimum excises levied on alcohol in the EU (Helsingin Sanomat, 2001). This issue is linked to the ongoing enlargement process, as alcohol is markedly cheaper in many of the applicant countries than in most of the established EU member states. The Finnish initiative is based upon the belief that the adoption of higher minimum rates on excises in the EU may increase alcohol prices in the applicant countries, and thereby contribute to prevent massive imports and smuggling of alcoholic beverages from these countries once they become members.

Informal talks on this matter were held during the Council of Ministers for Health meeting in June 2001. Although that this is a highly controversial issue given the wide variations that exist in excises between the various member states, the Finnish Minister for Foreign Trade, Kimmo Sasi, expressed hopes for support for this

initiative not only from the Nordic EU members, but also from other member states who happens to have an applicant on their borders (Helsingin Sanomat, 2001).

Being an outsider in relation to EU policy-making, Norway's opportunities to actively contribute in such efforts are restricted. This is also why the Leader of the Norwegian Temperance Alliance during the spring of 2001 called for his organisation to reconsider their stance on EU membership. He claims that Norway as a non-member is excluded from EU policy- and decision-making processes that will have important impacts on Norwegian alcohol control policies (Folket, 2001).

7.1.5 Trends of Policy Homogenisation?

This dissertation has illustrated that Nordic alcohol control policies are less unique in 2001 than they were in 1990, and that trends of homogenisation and convergence can be identified. This development is due to adaptations and changes in the Nordic countries, in other EU member states, as well as on the EU level.

Parts of the comprehensive and unique state alcohol monopoly systems in Finland, Norway and Sweden have become abolished, thus providing opportunities for private actors to increasingly engage in commercial trade in alcoholic beverages. The alcohol excises have also been reduced on several occasions, and political signals of further reductions have been expressed in each of the three countries. At the same time, restrictive alcohol control policy measures have been introduced more widely in most EU member states during the last decade (Karlsson and Österberg, 2001). An awareness of alcohol control issues and questions has also increased on the EU level. The adoption of the Council recommendation on the drinking of alcohol by young people, in particular children and adolescents in June 2001 is the most recent indication or example of this increased awareness (Council of Ministers, 2001).

However, it is interesting to take a closer look at this Council recommendation from a comparative alcohol control policy perspective. A comparison with how these issues are treated in the Nordic countries can be summarised in four points. First, the focus of this recommendation is alcohol consumption by a specific age group, rather than the whole population, as in the Nordic countries. Second, the recommendation strongly emphasises informal control on behalf of more formalised control. Third, it relies on recommendations rather than statutory regulations. Fourth, while the focus in Finnish, Norwegian and Swedish alcohol control policies is on reducing total alcohol consumption in society, the Council recommendation focuses on what is referred to as “inappropriate consumption” of alcohol (Council of Ministers, 2001).

These four differences clearly reflect a policy mismatch between the Nordic countries and the EU. However, the recent development in the EU member states and on the EU level may indicate that this mismatch is becoming more procedural than substantive. Despite contrasting patterns and degrees of alcohol control policy integration, the need for actions and initiatives in this specific area of social activity are increasingly shared. The move away from a substantive towards a procedural policy mismatch with regard to alcohol and alcohol control has recently been observed by the Swedish Minister for Health and Social Affairs. He claims that: “The EU approach to alcohol policy has changed during the Swedish presidency. Previously, alcohol-related issues were primarily regarded as a single-market, and agricultural concern. However, all the Member States now agree that alcohol should be regarded as a public health issue as well”.⁶⁵

In sum, Nordic alcohol control policies have become less unique over the last decade, and this development should be viewed in relation to the fact that European integration has become an increasingly more relevant and important point of reference for actors in Finland, Norway and Sweden during this period of time.

⁶⁵ Press release from the Swedish Presidency: “EU Health Council proposes common alcohol strategy”, 5 June 2001 in Luxembourg (www.eu2001.se).

The development described above is not unique for the specific area of public policy studied here. Similar trends of homogenisation and convergence have been recognised by Claes and Tranøy (1999) after their study of the impacts of Europeanization on 11 different policy areas in Norway. Norwegian alcohol control policy was one among the areas analysed in this study (Bræin, 1999).

The final step in this dissertation will be to discuss in what ways the empirical findings presented above can address the theoretical puzzles presented in Chapter 1.

7.2 Dynamics of Public Policy Change and Continuity

This dissertation has addressed several topics that are currently occupying students of political integration. First, it presents a framework for how policy integration can be conceptualised and analysed. Second, the consequences of different patterns and degrees of policy integration are elaborated upon. Third, it discusses in what ways changes in policy integration may occur, as well as how these changes can be interpreted.

Theoretically, the main ambition in this dissertation was to uncover what makes some policies and policy components more robust and stable than others, as well as to further understanding of the processes through which changes take place. In order to address these puzzles, focus was given to a specific policy area in three countries that were seeking increased integration with the EU. In what follows, the main conclusions of this dissertation will theoretically be summarised and formulated through what can be referred to as eight themes on policy dynamics.

7.2.1 Eight Theoretical Themes on Policy Dynamics

Each of the theoretical themes that will be presented here can be read and reflected upon separately, as they address different aspects of the dynamics of policy integration, change and continuity. However, they are all formulated on the basis of the main findings in this specific empirical study, and they can therefore also be viewed in concert.

First, policy areas as imperfectly integrated orders

Instead of viewing public policy areas as something uniform and homogenous, they should be viewed as more or less integrated. Conceptualised through the notions consistency, interdependence and structural connectedness, this dissertation has illustrated that the overall patterns and degrees of policy integration are likely to vary over time, and that different policy components will be differently integrated. Accordingly, although the notion of public policies is based on some kind of purposiveness towards a set of principles they are intended to promote and protect, the existence of inconsistencies and random policy components are not unusual.

Second, multiple accounts of policy categorizations

Public policies are often categorized in relation to the principles they are intended to promote and protect. However, since more or less integrated policy areas can be associated with different principles, policies and policy components can become subject to different categorisations. Therefore, it is unlikely to find a perfect match between the way policy areas are categorized and the underlying policy realities.

Third, the existence of more or less appropriate policy categorizations

The way public policies are defined, framed or categorized will influence the cognitive structures, and thereby also the understandings of what constitute legitimate arguments and actors. Accordingly, policy categorization may be a source of controversy and conflict, as it can be used strategically in order to pursue a certain kind of policy option. Different categorizations by different actors may

reflect conflicting interests and norms. However, based on the patterns and degrees of policy integration, some categorizations can be considered to be more appropriate than others from an ethical and cognitive point of view. Agreement among different actors on what constitutes an appropriate policy category is most likely to emerge in cases where the various policy components are tightly integrated around one principle or a set of matching principles.

Fourth, policy adaptation through re-categorization, reconsideration and reinterpretation

Public policies that have been taken as given and gone untested for an extensive period of time may become questioned and contested. There may be different explanations behind such occurrences, and they may arise more or less unexpectedly and take different forms. In this dissertation, a specific area of public policy became subject to re-categorization initiatives as questions were raised concerning whether some policies and policy components could be justified in relation to the fundamental principles they were intended to promote and protect. These questions launched a process of policy reconsideration. The findings illustrated that if the established policies and policy components could be justified in relation to the fundamental principles they were intended to promote and protect, the legitimacy of both policies and principles became rediscovered and reconfirmed, thus activating resistance towards changes. On the other hand, when policies could not be justified in relation to these principles, the relationship between them became reinterpreted, which led to easier and less frictional policy adaptations.

Fifth, (re-)integration through policy adaptation

This dissertation has also illustrated that policy adaptations and changes that are considered to have (re-)integrating effects on the overall policy area, i.e. contributing to a higher degree of consistency, interdependence and structural connectedness, are recognised as more legitimate than processes that are associated with trends of policy disintegration. Policy (re-)integration can in this perspective

occur through adaptation, disintegration, or even elimination of loosely integrated policies and policy components.

Sixth, the change-continuity mix

The match between public policies and their environments can seldom be described as automatic, continuous or precise. However, at the same time as this dissertation is a story about rigidity and historical inefficiency, it is also a story about smooth and swift institutional change. In fact, some of the changes that have been described in this dissertation may clearly be conceived of as dramatic and unexpected. Both policy changes and continuities can to a large extent be attributed to variations in actors' causal and normative interpretations of patterns and degrees of policy integration.

Seventh, tight integration as a source of policy robustness

Although a specific policy area viewed as an institutional sphere can be associated with different, and perhaps even competing or conflicting principles, some can be regarded as more fundamental than others. This dissertation has illustrated that a study of the overall patterns and degrees of policy integration may prove useful in identifying and specifying these principles. In this perspective, policies and policy components that are tightly integrated around what can be said to be the fundamental principles tend to be more robust than policies and policy components that are loosely integrated around these principles, or that are integrated around other principles.

Eighth, dynamics of mutual adaptation and co-evolution

Even in cases of substantive policy mismatches and huge power asymmetries as the one studied here, changes in the relations between organised units tend to reflect trends of mutual adaptation and co-evolution, rather than merely unilateral adaptations. The integrational patterns and causal relationships that were brought forward in the argumentation following the policy re-categorization initiatives resulted in reinterpretations of what constituted appropriate behaviour by the key

actors involved. Mutual modifications in relation to the balance between different legitimate principles were observed, and the power asymmetries became less relevant as a reference for understanding the policy outcomes.

Each of these themes should be viewed in close relation to the theoretical perspective that was adopted in this dissertation. Collectively, they can therefore be viewed as a contribution in the search for a more systematic knowledge about the dynamics of public policy change and continuity.

Theoretically, the main conclusion in this dissertation is that tightly integrated policies and policy components seemed to be more robust and stable than more loosely integrated ones. Further, changes were following from policy re-categorizations, where the links between the established policies and policy components on the one hand, and the fundamental principles they were intended to promote and protect on the other hand, had become reconsidered and reinterpreted. Notions of appropriateness played an important role in these re-categorization processes.

APPENDIX 1:

**NORDIC ALCOHOL CONTROL POLICIES AND THE EU –
A CHRONOLOGY**

- 17 January 1989: In a speech to the European Parliament, then President of the European Commission takes an initiative for a closer collaboration between the EU and the EFTA. This provides the background to the establishment of the European Economic Area (EEA).
- 20 June 1990: EEA negotiations commence.
- 1 July 1991: Sweden applies for EU membership.
- 19 December 1991: The Swedish government appoints a commission with the aim of working out a strategy for future alcohol control policy.
- 17 March 1992: A Finnish working group is appointed by the Ministry of Social Affairs and Health. Its main task is to bring Finnish alcohol policy in line with the obligations of the EEA Agreement.
- 18 March 1992: Finland applies for EU membership.
- 2 May 1992: EEA agreement signed in Oporto.
- 31 July 1992: The European Commission declares Sweden's alcohol monopolies to be in violation of the Treaty of Rome, both in a EU and an EEA context (Commission's Advisory Opinion on the Swedish accession application).
- 5 October 1992: The Council of Ministers approves Sweden's membership application.
- 16 October 1992: EEA Agreement adopted by the Norwegian Parliament, by 130 to 35 votes (3/4 majority is required).
- 4 November 1992: The European Commission declares Finland's alcohol monopolies to be in violation of the Treaty of Rome, both in a EU and an EEA context (Commission's Advisory Opinion on the Finnish accession application).

- 6 November 1992: The Finnish working group submits its first report in which it recommends the discontinuation of the import, export and wholesale monopoly.
- 9 November 1992: The Council of Ministers approves Finland's membership application.
- 18 November 1992: The EEA Agreement passed by the Swedish Parliament, by 308 to 13 votes.
- 19 November 1992: The Norwegian Parliament endorses Norway's EU membership application.
- 25 November 1992: Norway applies for EU membership.
- 6 December 1992: A narrow majority in Switzerland votes to reject the EEA Agreement.
- 11 December 1992: Finland's President confirms the Finnish Parliaments decision to adopt the EEA Agreement.
- 12 January 1993: The Icelandic Parliament decides by 33 to 23 votes to become party to the EEA Agreement. The following day the President endorses this legislation.
- 1 February 1993: Official accession negotiations with Sweden and Finland commence.
- 1 March 1993: Following a decision by the Norwegian Parliament, the retailing of strong beer is assigned to the alcohol monopoly, the Vinmonopolet.
- 17 March 1993: The renegotiated EEA Agreement after Switzerland's rejection is signed.
- 24 March 1993: The European Commission declares Norway's alcohol monopolies to be in violation of the Treaty of Rome, both in a EU and an EEA context (Commission's Advisory Opinion on the Norwegian Accession Application).
- 4 April 1993: The Council of Ministers approves Norway's membership application.
- 5 April 1993: Official accession negotiations with Norway commence.

- 29 April 1993: The EEA Agreement is accepted by the Norwegian Parliament after adjustments necessitated by Switzerland's "no".
- 3 June 1993: In a proposition to the Parliament, the Swedish government recommends the abolition of the monopoly on the import and wholesale of strong beer.
- 6 June 1993: The Finnish working group submits its second report in which it maintains the recommendation on abolishing the import, export and wholesale monopoly.
- 8 December 1993: The Swedish Parliament rejects the government's recommendation to abolish the import and export monopoly on strong beer.
- 21 December 1993: The Swedish government decides to abolish the import, export, wholesale and production monopolies. The same day, Finland and Sweden reach a political agreement with the European Commission, ensuring the continuation of the retail monopolies.
- 1 January 1994: The EEA Agreement comes into force.
- 7 January 1994: EFTA's surveillance authority ESA asks the Norwegian government for information on the trade monopolies in Norway.
- 8 January 1994: The Finnish Parliament approves the abolition of all alcohol monopolies except the retail monopoly.
- 16 February 1994: The Norwegian government replies to ESA's letter of 7 January.
- 16 March 1994: Accession negotiations with Austria, Finland, Norway and Sweden are finalised at minister level.
- 12 April 1994: The final accession negotiations with Austria, Finland, Norway and Sweden are concluded (conference at deputy level).
- 14 April 1994: The Norwegian government appoints an alcohol policy committee to assess what Norway can do to protect the restrictive alcohol control policy and make it more effective in light of international pressures.

- 19 April 1994: The Finnish Customs Board asks the EFTA Court to advise on whether the import monopoly on alcoholic beverages is compatible with the EEA Agreement (Case E-1/94: Ravintoloitsijain Liiton Kustannus Oy Restamark).
- 20 April 1994: The Swedish Parliament endorses the government's policy statement in which it proposes the abolition of all alcohol monopolies apart from the retail monopoly.
- 4 May 1994: The European Parliament approves each of the four applicant countries' accession agreements.
- 24 June 1994: The accession agreements are signed in all language versions at Corfu.
- 20 July 1994: ESA's Letter of Formal Notice is delivered to the Norwegian government. This represents the formal account of Norway's inadequate implementation of the EEA obligations concerning the state alcohol monopolies. It is the import, export and wholesale monopolies on alcohol that are under attack.
- 3 October 1994: The Norwegian government claims in a letter to ESA that it considers its EEA obligations related to the activity of Vinmonopolet to be fulfilled.
- 16 October 1994: Finland holds a consultative referendum in which 56.9% vote "yes" to EU membership.
- 13 November 1994: Sweden holds a binding referendum in which 52,27% vote "yes" to EU membership.
- 18 November 1994: The Finnish Parliament approves Finnish EU membership by 152 to 45 (2/3 majority required).
- 28 November 1994: Norway holds a consultative referendum in which 52,2% vote "no" to EU membership.
- 2 December 1994: The Icelandic government lays out proposals for the abolition of the import monopoly on alcohol.
- 7 December 1994: The Finnish Parliament passes the new Alcohol Act.
- 16 December 1994: The EFTA Court rules in the Restamark case (Case E-1/94) that the import monopoly on alcohol is incompatible with the EEA Agreement's Art. 11.

- 30 December 1994: ESA's Reasoned Opinion is delivered to the Norwegian government. This represents the final stage before the dispute is brought before the EFTA Court for a decision.
- 1 January 1995: Finland and Sweden become members of the European Union and new alcohol laws come into force in both countries. A new licence system is introduced for the import, export, wholesale and production of alcoholic beverages.
- 13 February 1995: The Norwegian government decides to act in accordance with ESA's reasoned opinion, and proposes the abolition of the import, export and wholesale monopolies by 1 January 1996.
- 27 February 1995: The Nordic Prime Ministers decide in a joint policy statement published in Reykjavik to work together to find a common solution to problems related to the Schengen Agreement to avoid new intra-Nordic borders. The three Nordic EU members included a proviso in their applications for observer status that a solution would have to be found for Norway and Iceland to secure the Nordic passport union.
- 13 June 1995: The Norwegian Parliament approves the splitting up of the Vinmonopolet.
- 14 June 1995: Landskrona Tingsrätt (Landskrona District Court) submits a request to the EC Court for a preliminary ruling on the compatibility of the retail monopoly with the Treaty of Rome (Case C-189/95: Allmänna Åklagaren [Public Prosecutor] vs. Harry Franzén).
- 1 January 1996: Amendments to the Alcohol Act and provisions governing a new licensing system for the import, export, wholesale and production of alcoholic beverages come into force in Norway.
- 1 May 1996: The five Nordic countries are granted observer status in the Schengen co-operation.
- 26 July 1996: Oslo Municipal Court requests the EFTA Court to give a preliminary ruling on the degree to which the monopoly on the retailing of strong beer is compatible with Art. 11 and 16 of the EEA Agreement (Case E-6/96: Tore Wilhelmsen AS vs. Oslo kommune).

- 8 July 1996: In connection with the Council of Ministers for Finance meeting, the Finnish and Swedish Ministers for Finance declare that their countries intend to make a united front in their demand for a prolongation of the transition arrangements for travellers' personal imports of alcoholic beverages.
- 5 October 1996: Representatives for the Commission declare that the Nordic countries must abandon their special arrangements for travellers' imports. In response to this demand, Prime Ministers Paavo Lipponen (Finland), Göran Persson (Sweden) and Poul Nyrup Rasmussen (Denmark) agree at an unofficial meeting in Dublin to follow a common line in the negotiations with the EU on this issue. The Nordic countries are not willing to accept EU's demands.
- 14 October 1996: Negotiations take place between representatives of the Nordic Finance Ministries and the European Commission on travellers' imports of alcoholic beverages. No agreement is reached.
- 23 October 1996: The Danish, Finnish, and Swedish Ministers for Finance meet with representatives of the European Commission to discuss the future quotas for travellers' personal imports of alcoholic beverages. In this meeting, the common Nordic front disintegrates. The European Commissioner for the Internal Market Mario Monti suggests a prolongation of the special Nordic arrangements to the end of June 2002. Finland and Denmark signal their readiness to accept the compromise. Sweden, on the other hand, appears ready to go to court to retain the existing arrangement.
- 13 November 1996: Despite Swedish protests, the Commission maintains its position on the cessation of the special Nordic arrangements by 30 June 2002.
- 20 November 1996: In the public proceedings before the judges and Advocate General responsible for Case C-189/95 (*Allmänna Åklagaren vs. Harry Franzén*), the Swedish government mount a defence of the Swedish alcohol monopoly. Support comes to the Swedish government from the European Commission, Finland, France and Norway.
- 25 November 1996: The Norwegian government sets out its position on the Case E-6/96 between Tore Wilhelmsen AS and the Municipality of Oslo. The Norwegian government states that the

monopoly on the retail of strong beer is compatible with the EEA Agreement.

- 2 December 1996: The conflict over travellers' imports of alcoholic beverages is resolved at a Council of Ministers for Finance meeting. In the outcome Sweden is allowed to continue with its present arrangement, but the legal framework shall be subject to new negotiations by 30 June 2000. Denmark and Finland agreed to comply with EU regulations by 31 December 2003.
- 13 December 1996: The Norwegian government decides to enter into a co-operation agreement with Iceland and the Schengen countries. The agreement gives Norway a place in Schengen together with the other Nordic countries and guarantees the continuation of the Nordic passport union allowing citizens to move freely across internal Nordic borders.
- 19 December 1996: Denmark, Finland and Sweden sign the agreement on Schengen membership. Simultaneously, Norway and Iceland sign a separate co-operation agreement with the "Schengenland".
- 1 January 1997: Alcohol excises on strong beer in Sweden are reduced by 39%. This results in a price cut of about 20%.
- 4 March 1997: In his advice to the court in Case C-189/95 (*Allmänna Åklagaren vs. Harry Franzén*), the Advocate General contends that the activities of Systembolaget contravene Art. 30 and 37 of the EC Treaty. The retail monopoly, according to the Advocate General, cannot be justified on the basis of the Treaty's article on the protection of people's life and health.
- 8 April 1997: In connection with a question in the Finnish Parliament, 101 out of 200 MPs sign a petition arguing for a relaxation of Alko's monopoly on the retail of strong beer and wine.
- 20 April 1997: New amendments to the Alcohol Act passed by the Norwegian Parliament. In this connection, Vinmonopolet is permitted to extend its opening hours.
- 22 April 1997: The Oslo Municipal Court makes a request for an Advisory Opinion concerning the validity of a refusal by Oslo Municipality to process the application for a licence to sell wine from Fridtjof Frank Gundersen (Case E-1/97).

- 16 May 1997: The Nordic Ministers for Health and Social Affairs express their opinion in the Franzén case about Sweden's Systembolaget. Margot Wallström (Sweden), Terttu Huttu-Juntunen (Finland) and Hill-Marta Solberg (Norway) underlined the importance of maintaining the monopoly on the retail sales of alcoholic beverages as an integral part of Nordic alcohol policy.
- 27 June 1997: The decision in the case (E-6/96) between Tore Wilhelmsen AS and the Municipality of Oslo comes about when the EFTA Court gives its advisory opinion on the degree to which the monopoly on the retailing of strong beer complies with Art. 11 and 16 of the EEA Agreement. The conclusion is that this arrangement is permissible as long as it does not lead to any discrimination of domestic over imported products. Public health interests are also given weight by the EFTA Court.
- 14 October 1997: The Finnish Parliament decides that Finns, as of 1 January 1998, may bring 1 litre of spirits and 3 litres of fortified wine for personal use. Previously one was obliged to choose between either spirits or fortified wine. At the same time, excises on wine are cut by 17%.
- 23 October 1997: A ruling is given in the Franzén (Case C-189/95). The EC Court concludes that the activities of the Swedish Systembolag do not violate EC rules on trade monopolies, and that the retail monopoly can be maintained.
- 5 November 1997: Helsinki District Court requests a preliminary ruling by the EC Court on the degree to which Finland's 20-hour rule for travellers' imports from third countries (countries outside the EEA area) complies with the EC regulations (Case C-394/97 – Sami Heinonen).
- 3 December 1997: The EFTA Court gives its ruling in the Gundersen case (E-1/97). The Court concludes that Vinmonopolet's monopoly on the retail of wine has no discriminatory effect and does not therefore violate the terms of the EEA Agreement.
- 1 January 1998: The Finnish excises on wine are cut by 17% from 1998. The price of wine subsequently falls by about 10%. At the same time, Finland's travellers' imports quotas rise. From this date Finns are allowed to bring in spirits and fortified wine. These were previously treated as alternatives.

- 7 January 1998: The Finnish government makes known its decision to split up the administrative responsibilities of the state alcohol monopoly, Alko Oy. The retail monopoly will be retained under the Ministry of Social Affairs and Health, but the other components will be moved to the Ministry of Trade and Industry.
- 18 September 1998: Stockholms Tingsrätt (Stockholm District Court) refers to the EC Court for a preliminary ruling on whether the Swedish ban on advertising for alcoholic beverages in magazines can be upheld (Case C-405/98 Konsumentombudsmannen v Gourmet International Products Aktiebolag).
- 19 January 1999: In the Sami Heinonen case (C-394/97), the Advocate General concludes that the Finnish 20-hour rule for traveller's personal imports of alcoholic beverages from third countries (countries outside the EEA area) complies with the EC regulations, and may therefore be upheld.
- 22 March 1999: The Norwegian Ministry of Health and Social Affairs gives the go ahead for a trial scheme of 14 self-service Vinmonopolet outlets. The scheme will be evaluated in two years.
- 26 April 1999: The Norwegian Parliament approves the revised Schengen Agreement on mutual assistance in criminal and judicial matters.
- 18 May 1999: Norway signs the Schengen Agreement together with Iceland and the EU.
- 15 June 1999: The first of 14 planned self-service Vinmonopolet outlets open in Oslo. The trial is to last two years.
- 15 June 1999: The EC Court rules that Finland may retain its 20-hour rule for traveller's personal imports of alcoholic beverages from third countries (Case C-394/97 – Sami Heinonen).
- 30 June 1999: The tax-free trade system is abolished within the EU. The EEA Agreement does not cover taxes and excise duties. This implies that Norway can uphold the tax-free trade system.

- 8 June 1999: During a Council of Ministers for Health meeting, the first initiative for a common alcohol strategy and a recommendation on young people and alcohol is taken.
- 2 December 1999: The Swedish government takes the initiative to start a trial with Saturday-open Systembolag outlets.
- 19 January 2000: The Swedish Minister for Health and Social Affairs Lars Engqvist writes to the Commissioner for Health and Consumer Protection David Byrne requesting an extension for the Swedish exemptions from EU's travellers' imports regulations on alcoholic beverages to 31 December 2005. Negotiations on these exemptions must be held before 30 June 2000.
- 31 January 2000: European Commissioner for the Internal Market Fritz Bolkestein says that Sweden will not be granted an extension of its exemptions beyond the timeframe already agreed between Finland and the Commission. The free circulation of goods was said to be one of the most fundamental elements of the EU co-operation.
- 5 February 2000: A trial with Saturday-open Systembolag outlets commences in Sweden. The trial shall last for a year and comprise 176 outlets.
- 28 February 2000: The European Commission sends a formal request to Sweden in order to end what they refer to as tax discrimination against wine in comparison to beer.
- 6 March 2000: European Commissioner Fritz Bolkestein discusses the Swedish exemptions from EU's alcohol import regulations with Minister for Finance Bosse Ringholm and Prime Minister Göran Persson. Bolkestein is unwilling to grant Sweden an extension of its exemptions.
- 13 March 2000: At a Council of Ministers for Finance meeting (ECOFIN), calls are made to allow Sweden to keep its exemptions from EU's alcohol import regulations to the end of 2003. This is the timeframe that has been applied to Denmark and Finland.
- 17 March 2000: The Swedish Minister for Finance writes in a letter to European Commissioner Bolkestein that Sweden is ready to accommodate itself to EU's traveller's imports rules for

alcoholic beverages by 31 December 2003. This is the same timetable that applies to Denmark and Finland.

- 17 March 2000: As a measure to improve traffic safety in the EU, the European Commission recommends the introduction of an alcohol blood concentration limit of 0.5 or lower.
- 28 March 2000: The Norwegian Parliament rejects a proposal to amend the Alcohol Act that would permit the sale of wine or wine products in general stores. The proposal was originally tabled by MP Fridtjof Frank Gundersen, and was rejected by 76 to 30 votes.
- 18 April 2000: In a press release, the Swedish government asserts that the European Commission has accepted the government's plan to adapt its travellers' imports quotas to the EU rules.
- 25 May 2000: The European Commission sets out its final proposal for how the Swedish import quotas can be adapted to the EU rules. In this proposal, Sweden will have adopted full EU quotas by 1 January 2004.
- 5 June 2000: The Finance Ministers from the EU member states approve the plan concerning how the Swedish restrictions on traveller's personal imports of alcoholic beverages should be phased out.
- 1 July 2000: As a step in Sweden's move to full EU quotas for travellers' imports, the Swedish quotas are raised from 1 July 2000 to: 1 litre spirits, 3 litres fortified wine, 20 litres wine and 24 litres beer.
- 27 November 2000: The European Commission presents a proposal for a Council recommendation on drinking of alcohol by children and adolescents.
- 28 November 2000: The proposal for a Council recommendation on drinking of alcohol by children and adolescents is transmitted from the Commission to the Council.
- 14 December 2000: The Advocate General concludes that the Swedish general ban on the advertising of alcoholic beverages in certain printed magazines is unnecessary and ineffective in protecting people's lives, and that justification is therefore lacking on this basis (Case C-405/98).

- 16 January 2001: The proposal for a Council recommendation on drinking of alcohol by children and adolescents is transmitted from the Council to the European Parliament (consultation procedure).
- 17 January 2001: The Commission presents a recommendation on the maximum permitted blood alcohol content (BAC) for drivers of motorised vehicles. It is here recommended that the maximum permitted blood alcohol content, which should be adopted by all of the member states, is not exceeding 0.5 mg/ml.
- 31 January 2001: A report on the first 10 months of the trial with Saturday-open Systembolag outlets in Sweden is presented. The main conclusion in this report is that the alcohol sales increased in the regions that experimented with Saturday-opening. No significant increases in the level of alcohol related harm was however detected.
- 19 February 2001: The WHO's European Ministerial Conference on Young People and Alcohol is held in Stockholm. The 51 European governments represented at the conference gave their support to a declaration on young people and alcohol. In addition, the European Commission and the Health Ministers from the EU member states attending the conference expressed their support for the Swedish Presidency's initiative concerning the establishment of a common EU strategy in the alcohol policy field.
- 8 March 2001: In Case C-405/98, the EC Court rules the Treaty does not preclude a prohibition on the advertising of alcoholic beverages unless it is apparent that the protection of public health against the harmful effects of alcohol can be ensured by measures having less effect on intra-Community trade. It is for the national court to determine whether the prohibition on advertising meets the condition of proportionality required to be justified.
- 15 March 2001: Based on the evaluation of the trial with Saturday-open Systembolag outlets, the Swedish government proposes to end the practice with Saturday-closing from 1 July 2001.
- 22 March 2001: The Norwegian government decides to abolish the remaining state monopoly on production of spirits. The corresponding monopolies in Finland and Sweden were abolished from 1995.

- 16 May 2001: The European Parliament welcomes the proposal for a Council recommendation on drinking of alcohol by children and adolescents. The proposal was approved by 445 votes for, 63 against and 21 abstentions.
- 1 June 2001: The Swedish Parliament decided to make Saturday-opening of the Systembolag outlets a permanent arrangement from 1 July 2001.
- 5 June 2001: At a Council meeting, the Ministers for Health in the EU member states agreed on a new framework programme for public health, and further adopted the Council recommendation on the drinking of alcohol by young people, in particular children and adolescents. The Council emphasised that this recommendation should be seen as a first step in a more comprehensive alcohol strategy.
- 12 June 2001: The European Commission sends a formal request to Sweden to end what they refer to as tax discrimination against wine in comparison to beer. The Commission considers that the Swedish tax system affords undue protection to beer, mainly produced domestically, in comparison to wine, which comes from other member states. This request was formulated as a "Reasoned Opinion".
- 20 June 2001: The Swedish government proposes to reduce the excises on wine by 18,8 percent from 1 December 2001. This was done in response to the request from the European Commission, and to cease the discrimination between wine and beer.
- The Finnish Cabinet Committee on European Union Affairs decides to propose a formal motion on an increase in the minimum rates of excises on alcoholic beverages in the EU.
- 1 July 2001: From this date the Systembolag outlets in Sweden are open also on Saturdays.

APPENDIX 2:

LETTERS

Letter dated 5 April 1993 from the Swedish government to the European Commission (concerning the Swedish state alcohol monopoly system)

Letter dated 20 December 1993 from Commissioner Hans van den Broek to the Swedish Minister for European Affairs Ulf Dinkelspiel (concerning the Swedish state alcohol monopoly system)

Letter dated 21 December 1993 from the Swedish Minister for European Affairs Ulf Dinkelspiel to Commissioner Hans van den Broek (concerning the Swedish state alcohol monopoly system)

Letter dated 22 December 1993 from the Director General of the Task Force Enlargement of the European Commission, Steffen Smidt to the upcoming ESA President, Knut Almestad (concerning the state alcohol monopolies).

Letter dated 7 January 1994 from ESA to the Norwegian government (concerning the Norwegian state alcohol monopoly system)

Letter dated 16 February 1994 from the Norwegian government to ESA (concerning the Norwegian state alcohol monopoly system)

Letter dated 9 May 1994 from the Norwegian government to ESA (concerning the Norwegian state alcohol monopoly system)

Letter dated 30 May 1994 from ESA to the Norwegian government (concerning the Norwegian state alcohol monopoly system)

Letter dated 8 July 1994 from the Norwegian government to ESA (concerning the Norwegian state alcohol monopoly system)

Letter dated 20 July 1994 (Letter of Formal Notice) from ESA to the Norwegian government (concerning the Norwegian state alcohol monopoly system)

Letter dated 20 October 1994 from the Norwegian government to ESA (concerning the Norwegian state alcohol monopoly system)

Letter dated 30 December 1994 (Reasoned Opinion) from ESA to the Norwegian government (concerning the Norwegian state alcohol monopoly system)

Letter dated 13 February 1995 from the Norwegian government to ESA (concerning the Norwegian state alcohol monopoly system)

Letter dated 19 January 2000 from the Swedish Minister for Health and Social Affairs Lars Engqvist to the Commissioner responsible for Health and Consumer Protection within the EU, David Byrne (concerning the Swedish rules for travellers' import of alcoholic beverages)

Letter dated 28 February 2000 (Letter of Formal Notice) from the European Commission to the Swedish Minister for Foreign Affairs, Anna Lindh (concerning the Swedish excise duties on wine)

Letter dated 17 March 2000 from the Swedish Minister for Finance, Bosse Ringholm, to the Commissioner of the Internal Market, Fritz Bolkestein (concerning the Swedish rules for travellers' import of alcoholic beverages)

Letter dated 12 June 2001 (Reasoned Opinion) from the European Commission to the Swedish government (concerning the Swedish excise duties on wine)

APPENDIX 3:

INFORMANTS ⁶⁶

Jan Egil Aase, Head of Information, Vinmonopolet, 21 February 2001 (personal conversation)

Helene Aastad, International Adviser, Norwegian Temperance Alliance, 7 February 2001 (telephone conversation and e-mail)

Knut Almestad, President, EFTA Surveillance Authority (ESA), Brussels, 22 October 1996 (interview)

Knut Brofoss, Director General, Norwegian Ministry of Health and Social Affairs, Oslo, 7 June 1996 (interview)

Bernt Bull, General Secretary, Norwegian Temperance Alliance, Oslo, 18 January 2000 (personal conversation)

Lena Dahl, Desk Officer, Swedish Ministry of Finance, Stockholm, 17 October 2000 (interview)

Monica Falck, Deputy Director, Swedish Ministry of Finance, 17 October 2000 (interview)

Inger Gran, Adviser, Norwegian Ministry of Health and Social Affairs, Oslo, 4 June 1996 (interview)

Pentti Karhu, Head of Division, National Product Control Agency for Welfare and Health, Helsinki, 29 August 1996 (interview)

Gert Knutson, Senior Adviser, Swedish Ministry of Health and Social Affairs, Stockholm, 26 August 1996 and 17 October 2000 (interviews)

Jakob Lindberg, former Director, Swedish National Institute for Public Health, Oslo, 18 October 1999 (personal conversation)

Maaria Lindblad, Secretary, Nordic Council for Alcohol and Drug Research (NAD), Helsinki, 22 February 2001 (telephone conversation and e-mail).

John Maddison, Ambassador/Head of delegation of the European Commission to Norway and Iceland, Oslo, 27 July 2000 (interview)

⁶⁶ Workplace and titles are as when the interviews were conducted.

Kari Paaso, Consultative Counsellor, Finnish Ministry of Social Affairs and Health, Helsinki, 29 August 1996 (interview)

Maria Rehnström, Special Adviser, Swedish Ministry of Health and Social Affairs, Stockholm, 26 August 1996 (interview)

Gabriel Romanus, President/CEO, Systembolaget, Stockholm, 26. August 1997 (interview)

Howat Russell, Counsellor, Delegation of the European Commission to Norway and Iceland, Oslo, 09 February 2001 (interview)

Vera Selnes, Head of EU Liaison Office, EURO CARE, Brussels, 21 October 1996 (interview)

Ulf Wallin, former General Secretary, Nordic Temperance Council, 16 March 2001 (telephone conversation)

REFERENCES

- Aftenposten (2001): *Harlem Brundtland vil spre nordisk alkoholpolitikk*, 20 February.
- Ahlström, S. and E. Österberg (1992): "Changes in the Climate of Opinion Concerning Alcohol Policy in Finland in the 1980s", *Contemporary Drug Problems*, 19(3): 431-457.
- Alko (1986): *Annual Report*. Helsinki: Alko.
- Alko (1991): *Annual Report*. Helsinki: Alko.
- Allardt, R (ed.) (1981): *Nordic Democracy*. København: Det Danske Selskab.
- Andersen, J. (2000): "Municipalities between the state and the People". In Sulkunen, P., C. Sutton, C. Tigerstedt and K. Warpenius (eds.) (2000): *Broken Spirits: Power and Ideas in Nordic Alcohol Control*: 157-184. Helsinki: NAD-Publication No. 39.
- Andersen, S. S. (1997): *Case Studier og generalisering: Forskningsstrategi og design*. Oslo: Fagbokforlaget.
- Andersen, S. S. (1999): *European Integration and the Changing Paradigm of Energy Policy: The case of natural gas liberalisation*. Oslo: ARENA Working Papers 99/12.
- Andersen, S. S. (2001): EU Energy Policy: "Interest Interaction and Supranational Authority". In Andersen, S. S. and K. A. Eliassen: *Making policy in Europe*: 106-123. London: Sage.
- Andersen, S. S. and K. A. Eliassen (2001): *Making Policy in Europe*. London: Sage.
- Benson, J. K. (1982): "A Framework for Policy Analysis". In D. L. Rogers and D. Whetten (eds.): *Interorganisational Coordination: Theory, Research and Implementation*: 137-176. Ames: Iowa State University Press.
- Berger, P. L., B. Berger, and H. Kellner (1973): *The Homeless Mind: Modernization and Consciousness*. New York: Random House.
- Berggren, F and B. Lindgren (1995): *Bruket av alkohol: En översikt av den ekonomiska forskningen*. Malmö: Lunds Universitet.

Bjørklund, T. (1994): *Public opinion in Norway, Sweden and Finland towards membership in EU prior to the referenda in the autumn 1994*. Oslo: University of Oslo, Department of Political Science. Forskningsnotat 02/94.

Brofoss, K. (1994): "The European Union- Where political issues become legal issues", *Nordisk Alkoholtidskrift*, 11 (English Supplement): 55-60.

Bruun, K. (1973): *Alkohol i Norden*. Stockholm: Bokförlaget Aldus/Bonniers.

Bruun, K. (1982): *Alcohol Policies in the United Kingdom: A Report by the UK Central Policy Review Staff, May 1979*. Stockholm: Studies in Swedish Alcohol Policies Project, Stockholm University.

Bræin, S. (1998): *Europeisering som rettsliggjøring. EU, EØS-avtalen og det norske alkoholmonopolet*. Oslo: University of Oslo, Department of Political Science. Master Thesis.

Bræin, S. (1999): "In Vino Veritas: EU og norsk alkoholpolitikk". In Claes, D. H. and B. S. Tranøy (eds.): *Utenfor, annerledes og suveren? Norge under EØS-avtalen*: 249-268. Bergen: Fagbokforlaget.

Burch, M. and B. Wood (1986): *Public Policy in Britain*. Oxford and Cambridge, MA: Basil Blackwell.

Burt, R. S. (1983): *Applied Network Analysis*. Beverly Hills, CA: Sage.

Campbell, D. T. (1975): "Degrees of Freedom and the Case Study", *Comparative Political Studies*, 8: 178-193.

Caporaso, J. A. and J. Jupille (2001): "The Europeanization of Gender Equality and Domestic Structural Change". In Cowles, M. Green, J. A. Caporaso and T. Risse (eds.): *Transforming Europe: Europeanization and Domestic Structural Change*: 21-43. Ithaca, NY: Cornell University Press.

Claes, D. H. and B. S. Tranøy (eds.) (1999): *Utenfor, annerledes og suveren? Norge under EØS-avtalen*. Bergen: Fagbokforlaget.

Commission (1972a): "Proposal for a Directive on excise duties and indirect taxes other than VAT, directly or indirectly affecting the consumption of products", COM (72) 225 Final. *Official Journal* C 043, 29 April.

Commission (1972b): "Proposal for a Directive on the harmonization of excise on alcohol", COM (72) 225 Final. *Official Journal* C 043, 29 April.

Commission (1972c): "Proposal for a Directive for a harmonized excise duty on wine", COM (72) 225 Final. *Official Journal* C 043, 29 April.

Commission (1972d): “Proposal for a Directive on the harmonization of excise on beer”, COM (72) 225 Final. *Official Journal C* 043, 29 April.

Commission (1972e): “Proposal for a decision setting up a committee on excise duties”, COM (72) 225 Final. *Official Journal C* 043, 29 April.

Commission (1985): “The Community and the EFTA Countries: Implementation of the Joint Declaration issued at Luxembourg on 9 April 1984”, *Communication from the Commission to the Council*, COM (85) 206 Final.

Commission (1987): “Proposal for a Council Directive on the approximation of taxes”, COM (87) 0325, modified by COM (87) 0325 Final/2. *Official Journal C* 251, 19 September.

Commission (1988): “Proposal for a Council Directive relating to maximum permitted blood alcohol concentration for vehicle drivers”, COM (88) 707 Final. *Official Journal C* 025, 31 January.

Commission (1989a): “Statement on the Broad lines of Commission Policy, by J. Delors”, *Bulletin of the European Communities*, Supplement 1/89. Brussels.

Commission (1989b): “Amended Proposal for a Council Directive on the approximation of the rates of excise duty on alcoholic beverages and on the alcohol contained in other products”, COM (89) 527 Final. *Official Journal C* 012, 18 January.

Commission (1990a): “Introduction of the Commission’s Programme for 1990 by the President of the Commission of the European Communities”, *Bulletin of the European Communities*, Supplement 1/90. Brussels.

Commission (1990b): “Proposal for a Council Directive on the harmonization of the structures of excise duties on alcoholic beverages and on the alcohol contained in other products”, COM (90) 432 Final. *Official Journal C* 322, 21 December.

Commission (1992a): “The challenge of enlargement: The Commission’s Opinion on Sweden’s application for membership”, *Bulletin of the European Communities*, Supplement 5/92. Brussels.

Commission (1992b): “The challenge of enlargement: The Commission’s Opinion on Finland’s application for membership”, *Bulletin of the European Communities*, Supplement 6/92, Brussels.

Commission (1993a): “Commission Communication to the Council on development and future of wine sector policy”, COM (93) 380 Final.

Commission (1993b): “The challenge of enlargement: The Commission’s Opinion on Norway’s application for membership”, *Bulletin of the European Communities*, Brussels.

Commission (2000): “Proposal for a Council Recommendation on drinking of alcohol by children and adolescents”, COM (2000) 736 Final.

Commission (2001): “Commission Recommendation of 17 January 2001 on the maximum permitted blood alcohol content (BAC) for drivers of motorised vehicles”, *Official Journal* L 043, 14 February.

Council of Ministers (1969): “Council Directive 69/169/EEC of 28 May 1969 on the harmonisation of provisions laid down by Law, Regulation or Administrative Action relating to exemption from turnover tax and excise duty on imports in international travel”, *Official Journal* L 133, 4 June.

Council of Ministers (1981): “Second Program of the European Economic Community for a Consumer Protection and Information Policy”, *Official Journal* C 133, 3 June.

Council of Ministers (1986): “Resolution of the Council and of the representatives of the Governments of the Member States, meeting within the Council, of 29 May 1986, on alcohol abuse”, *Official Journal* C 184, 23 July.

Council of Ministers (1989): “Council Directive 89/552/EEC of 3 October 1989 on the coordination of certain provisions laid down by Law, Regulation or Administrative Action in Member States concerning the pursuit of television broadcasting activities”, *Official Journal* L 298, 17 October.

Council of Ministers (1992a): “Council Directive 92/83/EEC of 19 October 1992 on the harmonization of the structures of excise duties on alcohol and alcoholic beverages”, *Official Journal* L 316, 31 October.

Council of Ministers (1992b): “Council Directive 92/84/EEC of 19 October 1992 on the approximation of the rates of excise duty on alcohol and alcoholic beverages”, *Official Journal* L 316, 31 October.

Council of Ministers (1992c): “Council Directive 92/12/EEC of 25 February 1992 on the general arrangements for products subject to excise duty and on the holding, movement and monitoring of such products”, *Official Journal* L 076, 23 March.

Council of Ministers (1996): “Council Directive 96/99/EC of 30 December 1996 amending Directive 92/12/EEC on the general arrangements for products subject to excise duty and on the holding, movement and monitoring of such products”, *Official Journal* L 008, 11 January.

Council of Ministers (2001): "Council Recommendation of June 5 2001 on the drinking of alcohol by young people, in particular children and adolescents", *Official Journal* L 161, 16 June.

Cowles, M. Green, J. A. Caporaso and T. Risse (2001): "Europeanization and Domestic Change: Introduction". In Cowles, M. Green, J. A. Caporaso and T. Risse (eds.): *Transforming Europe: Europeanization and Domestic Structural Change*: 1-20. Ithaca, NY: Cornell University Press.

Dye, T. R. (1976): *Policy Analysis: What governments do, why they do it, and what difference it makes*. Alabama: University of Alabama press.

Easson, A. J. (1993): "Taxation in the European Community". In *European Community Law Series*. London & Atlantic Highlands, NJ: The Athlone Press.

Edwards, G. et al. (1994): *Alcohol Policy and the Public Good*. Oxford: Oxford University Press.

EFTA (1985): "Joint Declaration of the Ministerial Meeting between the European Community and the European Free Trade association", Luxembourg, 9. April 1984", *Twenty-Fourth Annual Report of the European Free Trade Association 1984*. Geneva: EFTA Secretariat.

EFTA (1990): "Communiqué of the Meeting of the EFTA Council at Ministerial Level, Geneva, 11-12 December 1989". In *Twenty-Ninth Annual Report of the European Free Trade Association, 1989*. Geneva: EFTA Secretariat.

Eriksen, E. O. (1999): "Towards a Logic of Justification. On the Possibility of Post-National Solidarity." In Egeberg, M. and P. Lægreid: *Organizing Political Institutions*: 215-244. Oslo: Scandinavian University Press.

ESPAD (1999): *The European School Survey Project on Alcohol and Other Drugs: Alcohol and Other Drug Use Among Students in 30 Countries*. Stockholm: CAN.

European Voice (1997): *MEPs demand 'alcopop' controls*. Vol. 3(24), 19 June.

European Voice (2000): *De Palacio waters down drink-drive plan*. Vol. 6(3), 20 January.

Fahrenkrug, H. (1990): "Alkoholpolitik i EG:s medlemsstater". In Tigerstedt, C. (ed.): *EG, alkohol och Norden*: 55-70. Helsinki: NAD-publikation nr 19.

Finnish Ministry of Social Affairs and Health (1992): *Alkoholilain uudistamistyöryhmä, osa I. Työryhmämuistio* (Recommendations from the Committee preparing the reform of the Finnish Alcohol Act, Part I): 15, 2 November. Helsinki: Ministry of Social Affairs and Health.

Finnish Ministry of Social Affairs and Health (1993): *Alkoholilain uudistamistyöryhmän muistio osa 2. Työryhmämuistio* (Recommendations from the Committee preparing the reform of the Finnish Alcohol Act, Part II): 21, 4 June. Helsinki: Ministry of Social Affairs and Health.

Flament, C. (1963): *Application of graph Theory to Group Structure*. Englewood Cliffs, NJ: Prentice-Hall.

Flodh, E. (1963): "Nyktterhetsrörelsen i nordiska parlament", *Alkoholfrågan*, 5: 248-249.

Folket (2001): *Avholdsleder ønsker medlemskap i EU*, nr. 9, 4. mai.

Friedman, L. A. and A. W. Kimball (1986): "Coronary Heart Disease Mortality and Alcohol Consumption in Framingham", *American Journal of Epidemiology*, 124: 481-489.

Fuglum, P. (1972): *Kampen om alkoholen i Norge 1816-1904*. Oslo: Universitetsforlaget.

Graver, H. P. (1997): "Kommentarer til EF-domstolens avgjørelse i Franzénsaken", *Kritisk Juss*, 2: 100-111.

Gstöhl, S. (1996): "The Nordic Countries and the European Economic Area (EEA)". In Miles, L.: *The European Union and the Nordic Countries*: 47-62. London: Routledge.

Gual, A. and J. Colom (1997): "Why has alcohol consumption declined in countries of Southern Europe", *Addiction*, 92 (Supplement 1): S21-S31.

Hall, P. A. (1993): "Policy Paradigms, Social Learning and the State", *Comparative Politics*, 25 (3): 275-296.

Hamran, O. og C. Myrvang (1998): *Fiin Gammel - Vinmonopolet 75 år*. Oslo: Tano Aschehoug.

Hanf, K. and B. Soetendorp (eds.) (1998): *Adapting to the European Integration: Small States in the European Union*. London: Longman.

Hasselgren, S. (2001): "Alkoholstrategi inom EU – är det möjligt", *Alkohol & Narkotika*, 1: 11-13.

Hauge, R. and A. Amundsen (1994): *Virkninger av økt tilgjengelighet på alkohol: En undersøkelse av virkningene av åpning av vinmonopolutsalg i Sogn og Fjordane*. Oslo: SIFA rapport, 2/94.

Heclo, H. (1972): "Review Article: Policy Analysis", *British Journal of Political Science*, 2: 83-108.

Helsingin Sanomat (1996): *Nordics seek common front in EU talks on alcohol*, 14 October (Translated by Ministry of Foreign Affairs Finland, Department for Press and Culture: <http://virtual.finland.fi/news>).

Helsingin Sanomat (2001): *Finland wants EU to raise taxation on alcohol and tobacco products*. International Edition, 21 June (www.helsinki-hs.net).

Holder, H. D., E. Kühllhorn, S. Nordlund, E. Österberg, A. Rommelsjö and T. Ugland (1998): *European Integration and Nordic Alcohol Policies: Changes in Alcohol Control and Consequences in Finland, Norway and Sweden, 1980-1997*. Aldershot: Ashgate.

Horverak, Ø. and E. Österberg (1992): "The Prices of Alcoholic Beverages in the Nordic Countries", *British Journal of Addiction*, 87(10): 1393-1408.

Innst. O. nr. 8 (1992-93): Innstilling fra sosialkomiteen om lov om legemidler m.v. og om endring i visse andre lover som følge av EØS-avtalen.

Jachtenfuchs, M. (1997): "Democracy and Governance in the European Union". In Føllesdal, A. and Koslowski (eds.): *Democracy and the European Union*: 37-64. Berlin: Springer.

Jenkins, W. I. (1978): *Policy Analysis*. London: Martin Roberson.

Jick, T. D. (1979): "Mixing qualitative and quantitative methods: Triangulation in action", *Administrative Science*, 24: 602-611.

Johansson, L. (2000): "Sources of the Nordic Solutions". In Sulkunen, P., C. Sutton, C. Tigerstedt and K. Warpenius (eds.) (2000): *Broken Spirits: Power and Ideas in Nordic Alcohol Control*: 17-43. Helsinki: NAD-Publication No. 39.

Karlsson, T. and E. Österberg (2001): "A Scale of Formal Alcohol Control Policy in 15 European Countries", *Nordisk Alkohol & Narkotikatidskrift*, 18 (English supplement).

Klatsky, A. L., G. D. Friedman and M. S. Siegelau (1983): "Alcohol and Coronary Heart Disease in Puerto Rico", *American Journal of Epidemiology*, 117: 538-550.

Knill, C. and A. Lenschow (2001): "Adjusting to EU Environmental Policy: Change and Persistence of Domestic Administrations". In Cowles, M. Green, J. A.

Caporaso and T. Risse (eds.): *Transforming Europe: Europeanization and Domestic Structural Change*: 116-136. Ithaca, NY: Cornell University Press.

Kolstad, H. (1990): *Norge, EF og alkoholpolitikk*. Oslo: Avholdsfolkets Landsnemnd.

Kolstad, H. (ed.) (1993): *Nordisk alkoholpolitikk: Beskrivelse og vurdering av alkoholpolitiske tiltak i Danmark, Finland, Island, Norge og Sverige*. Oslo: Avholdsfolkets Landsråd.

Koski, H. (1992): "EES, EG och det nordiska alkoholsystemet", *Nordisk Alkoholtidskrift*, 6(9): 336-338.

Koski, H. and E. Österberg (1993): "From Large Projects to Case Consultation – Interaction of Research and Policy", *Addiction*, 27(2): 207-223.

Kurzer, P. (2001): *Markets and Moral Regulation: Cultural Changes in the European Union*. Cambridge: Cambridge University Press.

Laffan, B. (1992): *Integration and Co-operation in Europe*. London: Routledge.

Lehto, J. (1997): "The Economics of Alcohol", *Addiction*, 92 (Supplement 1): S55-S59.

Leibfried S. and P. Pierson (1995) (eds.): *European Social Policy: Between Fragmentation and Integration*. Washington, DC: Brookings Institution.

Leibfried S. and P. Pierson (1996): "Social Policy". In H. Wallace and W. Wallace: *Policy-Making in the European Union*: 185-207. Oxford: Oxford University Press.

Levine, H. G. (1992): "Temperance cultures: Concern about alcohol problems in Nordic and English-speaking cultures". In Lader, M., G. Edwards, C. D. Drummond (eds.): *The nature of alcohol and drug related problems*. Society for the study of addiction: monograph no. 2. Oxford: Oxford University Press.

Lijphart, A. (1971): "Comparative Politics and the Comparative Method", *The American Political Science Review*, 65: 682-693.

Lijphart, A. (1975): "The Comparable-Cases Strategy in Comparative Research", *Comparative Political Studies*, 8: 158-174.

Lubkin, G. P. (1996): *Is Europe's Glass Half-Full or Half-Empty? The Taxation of Alcohol and the Development of a European Identity*. Boston: Harvard Law School. (<http://www.law.harvard.edu/Programs/JeanMonnet/papers/96/9607ind.html>).

Lund, I, B. Trollidal and T. Ugland (1999): *Norsk-svensk grensehandel med alkohol*, Oslo: SIFA-rapport nr. 1/99.

Lund, I., M. Alavaikko and E. Österberg (2000): "Deregulating or Re-regulating the Alcohol Market? In Sulkunen, P., C. Sutton, C. Tigerstedt and K. Warpenius: *Broken Spirits: Power and Ideas in Nordic Alcohol Control*: 115-133. Helsinki: NAD-Publication No. 39.

Mäkelä K. (1987): "Attitudes and Opinions". In J. Simpura (ed.) *Finnish Drinking Habits*. Helsinki: The Finnish Foundation for Alcohol Studies: 167-184.

Mäkelä and Viikari (1977): "Notes on Alcohol and the State", *Acta Sociologica*, 20: 155-179.

Mäkelä, K. and C. Tigerstedt (1993): "Changing responsibilities of Nordic alcohol monopolies", *Contemporary Drug Problems*, Summer 1993: 189-202.

March, J. G. (1999a): "A Learning Perspective on the Network Dynamics of Institutional Integration". In Egeberg, M. and P. Lægreid (eds.): *Organizing Political Institutions*: 129-155. Oslo: Scandinavian University Press.

March, J. G. (1999b): *The Pursuit of Organisational Intelligence*. Malden, MA: Blackwell Business.

March, J. G. and H. Simon (1958): *Organizations*. New York: Wiley.

March, J. G. and J. P. Olsen (1989): *Rediscovering Institutions*. New York: NY Free Press.

March, J. G. and J. P. Olsen (1995): *Democratic Governance*. New York: NY Free Press.

March, J. G. and J. P. Olsen (1996): "Institutional Perspectives on Political Institutions", *Governance*, 9: 247-264.

March, J. G. and J. P. Olsen (1998): "The Institutional Dynamics of International Political Orders", *International Organization*, 52 (4): 943-969.

Marmot, M. G. (1984): "Alcohol Consumption and Coronary Heart Disease", *International Journal of Epidemiology*, 13: 160-167.

Matlary, Janne H. (1993): "And Never the Twain Shall Meet: Reflections on Norway, Europe and integration". In T. Tiilikainen and I. Damgaard Petersen eds.: *The Nordic Countries and the EC*: 44-63. Copenhagen: Political Studies Press.

Meyer, J. W. and W. R. Scott (1983): "Centralization and the Legitimacy Problems of Local Government. In J. W. Meyer and W. R. Scott: *Organizational Environments: Ritual and Rationality*: 199-215. Beverly Hills, Calif.: Sage.

Milhøy, A. (1993): "Virkningen af afgiftsnedsættelser i øl- og vinsalget i Danmark", *Nordisk Alkoholtidsskrift*, 10(6): 319-329.

Moen, K. (1998): *Fra monopol til konkurranse: EØS, norsk legemiddelpolitikk og norsk medisinaldepo*. Oslo: ARENA Report, 1/98.

Naert, P. (1993) "Economic aspects". In *Alcoholic Beverages and European Society*: 1-63, Annex 2. London: Amsterdam Group.

NordAN (2000): *Statutes of NordAN from 25 September 2000*.

Nordlund, S. (1985): "Effekten av lørdagsstengingen ved Vinmonopolets butikker", *Alkoholpolitik – Tidsskrift for nordisk alkoholforskning*, 1(4): 221-229.

Nordlund, S. (1998): "Holdningsendringer og Vinmonopolets framtid", *Nordisk Alcohol & Narkotikatidsskrift*, 15(4): 223-234.

Norwegian Ministry of Finance (1993): Position Paper on Taxation from the Norwegian Accession Negotiations, 12 November. Oslo: Ministry of Finance.

Norwegian Ministry of Health and Social Affairs (1993): *Regulations concerning the purchase by A/S Vinmonopolet of spirits, wine and strong beer and the range of these products*. Oslo: Ministry of Health and Social Affairs.

NOU 1995: 24: *Alkoholpolitikken i endring?* Oslo: Statens forvaltningstjeneste.

Nylander J. (2000): *The power of Framing: A New-Institutional Approach to Interest Group Participation in the European Union*. Uppsala: Uppsala University. Doctoral Dissertation.

OECD (1995): *Purchasing Power Parities and Real Expenditures*. Paris: Statistics Directorate.

Olsen, J. P. (1983): *Organized Democracy*. Oslo: Universitetsforlaget.

Olsen, Johan P. (1996): "Europeanization and Nation-State Dynamics". In S. Gustavsen and L. Lewin (eds.): *The Future of the Nation State*: 245-285. London: Routledge.

Olsen, J. P. (1997): "European Challenges to the Nation State". In B. Steunenberg and F. van Vught (eds.): *Political Institutions and Public Policy*: 157-188. Dordrecht: Kluwer.

Olsen, J. P. (1998): *The New European Experiment in Political Organization*. Paper prepared for presentation at the conference “Samples of the Future”, SCANCOR, Stanford University, 20-22 September 1998.

Olsen J. P. (2001): “Organising European Institutions of Governance – A Prelude to an Institutional Account of Political Integration”. In H. Wallace (ed.): *Whose Europe? Interlocking Dimensions of Integration*. London: Macmillan.

Olsen, J. P. and B. O. Sverdrup (eds.) (1998): *Europa i Norden: Europeisering av nordisk samarbeid*. Oslo: Tano.

Olsson, O and P. O. H. Wickström (1982): “Effects of the Experimental Saturday Closing of Liquor Stores in Sweden”, *Contemporary Drug Problems*, XI: 325-353.

Osservatorio Permanente sui Giovani e l’Alcool (1994): *Young People and Alcohol in Europe: A Tool for Monitoring Consumption and Institutional Action Policies*. Rome: Assobirra.

Ostrom, V. and P. Sabetti (1975): “Theory of Public Policy”. In S. S. Nagel: *Policy Studies in America and Elsewhere*. Lexington Books: Lexington, Mass.

Ot.prp. nr. 70 (1991-92): *Endring i lov av 2. juni 1989 nr. 27 om omsetning av alkoholholdig drikk*.

Ot.prp. nr. 51 (1994-95): *Om lov om endringer i alkoholloven*.

Parsons, T. (1960): *Structure and Process in Modern Societies*. Glencoe, Ill.: Free Press.

Parsons, W. (1995): *Public Policy: An Introduction to the Theory and Practice of Policy Analysis*. Cheltenham, UK: Edward Elgar.

Pedersen, T. (1988): *The Wider Western Europe: EC Policy towards the EFTA Countries*. London: The Royal Institute of international Affairs.

Pfeffer, J. and G. Salancik (1978): *The External Control of Organizations: A Resource Dependence Perspective*. New York: Harper and Row.

Programme of the Swedish Presidency of the EU (2001): <http://www.eu2001.se>.

Programme for the Finnish Presidency of the EU (1999): <http://presidency.finland.fi>.

Radaelli, C. M. (1999): “Harmful tax competition in the EU: Policy narratives and advocacy coalitions”, *Journal of Common Market Studies*, 37 (4): 661-682.

Regeringens proposition 1991/92: 170: *Om det Europeiska ekonomiska samarbetsområdet.*

Regeringens proposition 1992/93: 253: *Om import och partihandel med sterköl.*

Regeringens proposition 2000/01: 97: *Vissa ändringar i alkohollagen.*

Regeringens proposition 2000/01: 144: *Skatten på vin.*

Regeringsutvalget for EF-saker (1990): *Statusrapport mars 1990. EFTA-EF-forhandlingene. Kartlegging og forberedelser.* Oslo: Ministry of Foreign Affairs.

Rehm, J. (1999): "Draining the Ocean to Prevent the Shark Attacks", *Nordisk Alkohol- & Narkotika Tidskrift*, 16 (English supplement): 46-54.

Reuter, S. and C. Tigerstedt (1992): "Alkoholpolitiken i Norden sedan 1980", *Nordisk Alkoholtidskrift*, 9: 59-72.

Romanus, G. (1990): "EG-samarbetet – ett hot mot den sociala alkoholpolitiken". In Tigerstedt, C (ed.): *EG, alkohol och Norden: 55-70.* Helsinki: *NAD publikation nr 19.*

Room, R. (1999): "The Idea of Alcohol Policy", *Nordisk Alkohol- & Narkotikatidskrift*, 16 (English Supplement): 7-20.

Sabatier, P. A. (1988): "An Advocacy Coalition Framework of Policy Change and The Role of Policy-Oriented Learning Therein", *Policy Sciences*, 21: 129-168.

Sabatier, P. A. (1998): "The advocacy coalition framework: Revisions and Relevance for Europe", *Journal of European Public Policy*, 5(1): 98-130.

Saglie, J. and S. Nordlund (1993): *Alkoholpolitikken og opinionen.* Oslo: SIFA-rapport, nr. 3/93.

Säilä, S. L. (1978): "Lauantaisulkemiskokeilu ja Juopumushäiriöt", *Alkoholpolitikka*, 43: 91-99.

Sartori, G. (1984): *Social Science Concepts: A Systematic Analysis.* Beverly Hills, CA: Sage.

Sbragia, A. (1996): "Environmental Policy: The Push-Pull of Policy Making". In H. Wallace and W. Wallace: *Policy-Making in the European Union: 235-255.* Oxford: Oxford University Press.

Scharpf, F. (1994): "Community and Autonomy: Multi-level Policy Making in the European Union", *Journal of European Public Policy*, 1: 219-242.

Scharpf, F. W. (1996): "Negative and Positive Integration in the Political Economy of European Welfare States". In G. Marks, F. W. Scharpf, P.C. Schmitter and W. Streck, *Governance in the European Union*: 15-39. London: Sage.

Scharpf, F. (1999): *Governing in Europe: Effective and Democratic?* Oxford: Oxford University Press.

Scott, W. R. (1987): *Organizations: Rational, Natural and Open Systems*. Englewood Cliffs, New Jersey: Prentice Hall International Inc.

Skocpol, T. and M. Somers (1980): "The Uses of Comparative History in Macrosocial Inquiry", *Comparative Studies in Society and History*, 22: 174-197.

Skog, O-J, Ø. Horverak, S. Nordlund and T. Norström (1993): Vurderinger av konsekvenser av ulike endringer i omsetningsform og priser for alkohol i Norge. Oslo: SIFA-rapport, nr 4/93.

Stenius, K. (1990a): "Tre monopol, två länder, en Europeisk gemenskap: Intervjuer med Egon Jacobsson, Gabriel Romanus och Heikki Koski", *Alkoholpolitik*, 4: 205-211.

Stenius, K. (1990b): "A/S Vinmonopolet: Från en förvaltningsinstitution till ett produktions- och handelsföretag", *Alkoholpolitik*, 1: 54-57.

Stenius, K. (1993): "Alkoholfrågan i Finlands EG-delegation", *Nordisk Alkoholtidskrift*, 6: 365.

Stenius, K. (1994): "Svenska monopol avvecklas-Systembolaget kvar", *Nordisk Alkoholtidskrift*, 1: 50.

Stenius, K. (2000): "Gabriel Romanus: On Social Liberalism, the EU, and the Future of Alcohol Monopolies", *Nordisk Alkohol & Narkotikatidskrift*, 16: 119-123.

St.meld. nr. 50 (1971-72): *Om Norges tilslutning til De Europeiske Fellesskap*.

St.meld. nr. 40 (1993-94): *Om medlemskap i Den europeiske union*.

St.prp. nr. 100 (1991-92): *Avtale om Det europeiske økonomiske samarbeidsområde*.

Sulkunen, P., C. Sutton, C. Tigerstedt and K. Warpenius (eds.) (2000): *Broken Spirits: Power and Ideas in Nordic Alcohol Control*. Helsinki: NAD-Publication No. 39.

Sutton, C. and J. Nylander (1999): "Alcohol Policy Strategies and Public Health at an EU-level: The Case of Alcopops", *Nordisk Alkohol & Narkotikatidskrift*, 16 (English Supplement): 74-91.

Sutton, C. and S. E. Olsson Hort (1996): *Integrating an Alcohol Problem*. Paper presented at the Second European Conference on Social Movements, Palacio Villa Suso, 2-5 October 1996, Vitoria-Gasteiz, Spain.

Sverdrup, U. I. (2000): *Ambiguity and Adaptation: Europeanization of Administrative Institutions as Loosely Coupled Processes*. Oslo: ARENA Report No 8.

Swedish Ministry of Finance (2000a): *Pressmeddelande: Bosse Ringholm sänder formell begäran till kommissionär Bolkestein om införselreglerna*, 3 March. Stockholm: Ministry of Finance.

Swedish Ministry of Finance (2000b): *Pressmeddelande: Kommissionen lägger förslag om införselregler*, 18 April. Stockholm: Ministry of Finance.

Swedish Ministry of Health and Social Affairs (1993): *The Swedish Alcohol Policy: Concerning About People's Health*. Stockholm: Nordstedts Tryckeri AB.

Swedish Ministry of Health and Social Affairs (2000): *Pressmeddelande: Lars Engqvist skickar brev till EU's folkhälsokommissionär om Sveriges införsregler av alkohol och tobak*, 19. January. Oslo: Ministry of Health and Social Affairs.

Sæter, M. (1993): "The Nordic countries and European Integration: The Nordic, the West-European and the All-European Stages": 8-22. In T. Tiilikainen and I. Damgaard Petersen (eds.): *The Nordic Countries and the EC*. Copenhagen: Political Studies Press.

The Key (2000): *Taxation and Customs Union*, No 11, May.

Thompson, J. D (1967): *Organizations in Action*. New York: McGraw-Hill.

Tigerstedt, C. (ed.) (1990a): "EG och den alkoholpolitiska dimensionen". In *EG, alkohol och Norden*: 55-70. Helsinki: NAD-publikation No. 19.

Tigerstedt, C. (ed.) (1990b): "The European Community and the Alcohol Policy Dimension", *Contemporary Drug Problems*, 17(1): 461-479.

Tigerstedt, C. (2001): *The Dissolution of the Alcohol Policy Field: Studies on the Nordic Countries*. Helsinki: University of Helsinki, Department of Social Policy. Research Report 1/2001.

Tigerstedt, C. and C. Sutton (2000): "Exclusion and Inclusion: Saturday closing and self-service". In Sulkunen, P., C. Sutton, C. Tigerstedt, and K. Warpenius (eds.): *Broken Spirits: Power and Ideas in Nordic Alcohol Control*: 185-198. Helsinki: NAD-Publication No. 39.

Ugland, T. (1996): *EØS, EU og alkoholmonopolene: En komparativ studie av de nordiske lands respons og strategivalg*. Oslo: SIFA-rapport, nr 4/96.

Ugland, T. (1997): "Europeanisation of the Nordic Alcohol Monopoly Systems: Collisions Between Ideologies and Political Cultures", *Nordisk Alkohol- & Narkotikatidskrift*, 14 (English Supplement): 7-16.

Ugland, T. (2000a): "Impacts of Europeanisation on Nordic Alcohol Control Policies: A Discussion of Processes and National Differences", *Journal of European Social Policy*, 10 (1): 59-68.

Ugland, T. (2000b): "European integration and the corrupting gaps of the systems". In Sulkunen, P., C. Sutton, C. Tigerstedt and K. Warpenius (eds.): *Broken Spirits: Power and Ideas in Nordic Alcohol Control*: 115-133. Helsinki: NAD-Publication No. 39.

United Nations (1993): *1992 International Trade Statistics Yearbook, vol. I: Trade by country vol. II: Trade by Commodity*. New York: Department of Economic and Social Development.

Valen, H., B. Aardal og G. Vogt (1990): *Endring og kontinuitet: Stortingsvalget 1989*. Oslo: Statistisk sentralbyrå.

Vinmonopolet (1989) *Annual Report*. Oslo: Vinmonopolet.

Virtanen, M. and J. Hentilä (1990): "Splittras Alko av ett förenat Europa? Intervju med Heikki Koski ", *Alkoholpolitik*, 7: 208-211.

Vogel, D. (1995): *Trading Up: Consumer and Environmental Regulation in a Global Economy*. Cambridge, Mass.: Harvard University Press.

Wallace, H. (1996): "The Institutions of the EU: Experience and Experiments". In H. Wallace and W. Wallace: *Policy-Making in the European Union*: 37-68. Oxford: Oxford University Press.

Wallström, M. (1997): "Vi backar inte om systemet", *Dagens Nyheter*, 18. March.

Walsh, B. (1997): "Trends in alcohol production, trade and consumption", *Addiction*, 92 (Supplement 1): S61-S66.

Warpenius, K. and C. Sutton (2000): "The Temperance Movements: Strategies and Goals", in Sulkunen, P., C. Sutton, C. Tigerstedt and K. Warpenius (eds.): *Broken Spirits: Power and Ideas in Nordic Alcohol Control*: 45-66. Helsinki: NAD-Publication No. 39.

World Drink Trends (1997): Henley-on-Thames: Produktschap voor Gedistilleerde Dranken and NTC Publications.

Yin, R. K. (1981): "The Case Study as a Serious Research Strategy", *Knowledge: Creation, Diffusion, Utilization*, 3(1): 97-114.

Yin, R. K. (1989): "Case Study Research: Design and Methods", *Applied Social Research Methods Series Volume 5*. London: Sage.