

Finland

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1. The country

Finland is located in northern Europe, bounded on the west by Sweden, on the north by Norway and on the east by Russia. In the south, south-west and west Finland has a coastline bordered by the Gulf of Finland, the Baltic Sea and the Gulf of Bothnia. Estonia is situated on the opposite side of the Gulf of Finland, about 60 kilometres south of Finland and of Helsinki, the capital and the largest city of Finland with about 1 million inhabitants in the capital area.

| Box 1.1 Basic facts |
|--|
| Total area: 338,145 km ² |
| Number of inhabitants: 5.2 millions |
| Population density: 17 inhabitants/km ² |
| Capital city (name, population): Helsinki, 560 000 |
| Official language(s): Finnish, Swedish |
| GDP per capita: 28 646 € |

Finland was until 1808 a part of the Swedish kingdom and then a Grand Duchy under the Russian czar. Finland became independent in 1917. The republican constitution adopted in 1919 remains essentially unchanged today.

Since the 1960s economic change has been accompanied by exceptionally rapid internal migration from rural to urban areas. Nowadays nearly 70 per cent of the population reside in the southern third of the country and some 64 per cent of the population is urban. At the beginning of the 1950s only 32 per cent of the population lived in towns.

Finland is a bilingual country, with more than 93 per cent of the population speaking Finnish and a minority of 6 per cent speaking Swedish. A few thousand Saami people live in the far north. Other minority groups cover less than 1 per cent of the Finnish population. The Evangelical Lutheran Church of Finland is the principal national church, and almost 90 per cent of Finns belong to it, albeit many in name only.

Agricultural area accounts for 8 per cent of the total area of Finland, forests and other wooded land for 68 per cent, and inland waters for 10 per cent. Since the Second World War the industrial sector has expanded rapidly. During the second half of the 1980s the Finnish economy experienced a period of very fast expansion. At the same time, Finnish capital market was opened and the stock exchange market overheated. The outcome was a crash in the stock market and a deep depression at the beginning of the 1990s. By the mid-1990s the economy had recovered and began to grow again.

Today Finland is an industrialised country with a high standard of living and a welfare state system. In 1995, of the total employment of 2.1 million persons, 8 per cent were engaged in primary

production, 28 per cent in industry and construction, and 64 per cent in services. The wood, pulp and paper industries used to be the leading sector of the Finnish economy, accounting for nearly an half of the exports. Nowadays the leading part in the national economy has been taken over by the telecommunication and electronics industries, Nokia being at the head.

The legislative power of the country is exercised by the parliament and the president of the Republic. The president is elected for a six-year term by a direct popular vote. The cabinet is appointed by the president and subject to the approval of parliament. It is headed by the prime minister. The parliament is a unicameral body. Its 200 members are popularly elected on a proportional basis for a term of four years.

Executive power in the six Finnish provinces is exercised by a governor, who is appointed by the country's president. In Åland, which has been granted considerable autonomy, a provincial council is elected by the residents. This provincial council in turn chooses an executive council that shares governing power with the governor.

There are 432 municipalities and local authorities in Finland. Local government is based on self-government by the residents of a municipality. Local authorities have a degree of financial and administrative independence. Residents elect the local council, which appoints the municipal board that is responsible for the practical running of the local administration and its finances. The most important services provided by local authorities concern education, social welfare and health care.

2. Alcohol consumption

In the second half of the 19th century alcohol consumption was on the decrease in Finland. In 1910 it reached a level of just over 1 litre 100 per alcohol per capita. Between 1917 and 1932 Finland prohibited all alcohol sales. There was, of course, some and in fact growing illegal trade with alcohol during the prohibition.

From 1932 to the 1960s there was a slow increasing trend in alcohol consumption. The official consumption figure was 1.2 litres per capita in the mid-1930s and 2 litres in the turn of the 1950s into the 1960s. During the 1932-1960 period distilled spirits were the preferred alcoholic beverages in Finland.

In the 1960s alcohol consumption continued to grow. In 1969 when a new more liberal alcohol legislation came into force, the total alcohol consumption increased almost 50 per cent in one year and continued to grow very fast in the first half of the 1970s (Figure 2.1). In the mid-1970s the total alcohol consumption levelled off and during the next decade it was about 6.5 litres per capita.

Total and recorded alcohol consumption in Finland according to beverage categories in 1953-2004 in litres of 100 per cent alcohol per capita

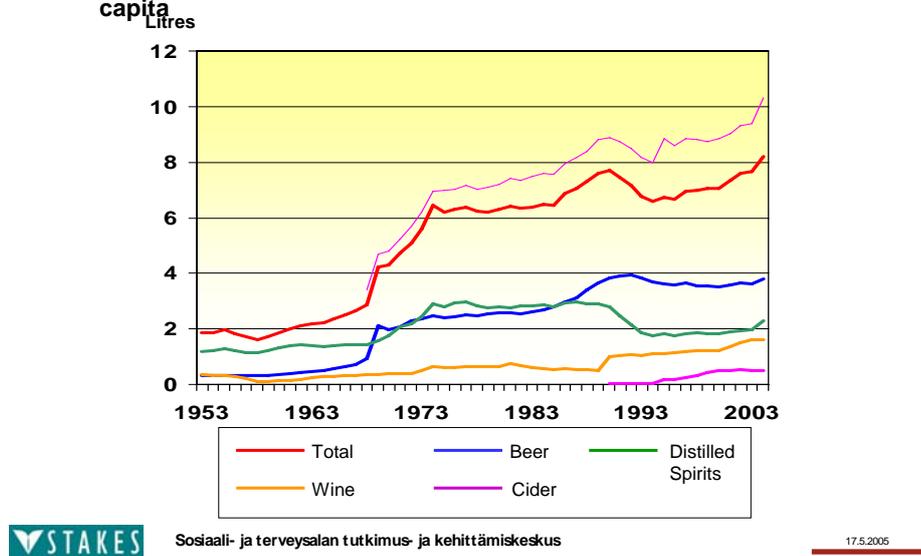


Figure 2.1.

The fast economic growth in the second half of the 1980s was accompanied by a strong growth in alcohol consumption. In the same manner, the economic recession in the first half of the 1990s led to a clear decrease in total alcohol consumption.

In 1995 Finland joined the European union (EU) which led to larger import quotas for travellers' tax free alcohol imports and to a jump in travellers' actual alcohol imports. Since the mid-1990s, the total alcohol consumption has been slightly growing. In 2004 the total alcohol consumption rose by 10 per cent because of the abolishment of travellers' import quotas, the 33 per cent decrease in alcohol excise duties and the Estonian EU membership.

At the beginning of the 1960s about 70 per cent of all alcohol was consumed in the form of distilled spirits. Because beer consumption grew faster than spirits consumption this figure was down to about 50 per cent in the mid-1980s. In the first half of the 1990s the consumption of distilled spirits decreased, and nowadays distilled spirits account a third of the total alcohol consumption. The consumption of wine has increased quite slowly but steadily during the period from 1961 to 2004. Nowadays wine accounts for about 16 per cent of the total alcohol consumption.

Beer consumption increased by a jump in 1969 and continued to grow to the early 1990s. Since then it has slightly decreased. The increase in beer consumption in the second half of the 1980s, coupled with the decrease in the consumption of distilled spirits in the first half of the 1990s, has changed Finland to a country where little over 40 per cent of all alcohol is consumed in the form of beer.

Because of high alcohol prices and restrictions on the physical availability of alcoholic beverages, unrecorded alcohol consumption has always played a part in the Finnish alcohol consumption. However, except for the years 1995 and 2004 unrecorded alcohol consumption has not changed the picture of trends in total alcohol consumption given by the recorded consumption. It is estimated that in 2004 some 20 per cent of all alcohol consumed in Finland came from unrecorded sources

and 70 per cent of unrecorded alcohol consumption consisted of travellers' alcohol imports. The corresponding share of alcohol consumed abroad was about 15 per cent, the share of legal home made alcohol about 6 per cent and that of moonshine and smuggled alcohol about 7 per cent.

Alcohol consumption is very concentrated. A small part of the population is abstainers, the majority is moderate drinkers or drink very small amounts and again a small part of the population is heavy drinkers. Those most heavily drinking ten per cent of men drinks about 40 per cent of all alcohol drunk by men. The corresponding figure for females is even greater, about 50 per cent.

In the beginning of the 1960s about 40 per cent of females were abstainers. At the moment the corresponding share is about 10 per cent, almost the same as for males. The share of females of all alcohol consumed has been growing. In 1968 it was 10 per cent. Nowadays this share is about one fourth. With regard to boys and girls at the age of 14 to 16 there are no big differences in alcohol consumption. Young males, however, are drinking more often and also greater quantities than young females.

Daily drinking is still quite rare in Finland. The frequency of drinking has however increased during the last decades. Nowadays about 56 per cent of the males and 35 per cent of females admit that they are drinking alcoholic beverages at least once a week. During the last decades drinking has also become more common in public places as well as in sport and cultural events. Drinking alcoholic beverages with meals is still quite uncommon and drinking is still concentrated on weekends.

Drinking to intoxication is a common and acceptable habit in Finland. In 1968 about 14 per cent of Finnish males had drunk to intoxication at least once a month. The corresponding share was 26 per cent in the mid-1980s and has since then being unchanged. Females are drinking to intoxication clearly less often than males. In 1968 about 10 per cent of females had drunk to intoxication at least once a year; observe that the figures given for males were counted at least once a month. Among females drinking to intoxication have become more common and nowadays about 45 per cent of females admits to be orderly drunk at least once a year.

Risky drinking is in Finland most often defined as 16 drinks or more for females and 24 or more for males in a week. According to this criteria about one fifth of male alcohol consumers and a tenth of female alcohol consumers are on risky levels in their alcohol consumption.

3. Alcohol production and trade

In the early 1960s, there were 18 licensed breweries with 19 plants in Finland. By 1980 there were only five brewing companies remaining, with 12 plants, all also manufacturing soft drinks and mineral water. Just before Finnish membership in the EU, there were 25 breweries in Finland. Three of them controlled over 99 per cent of the beer and soft drink market. In 2000 there were 54 valid brewery licences, with the increase due to new restaurant breweries, i.e. restaurants equipped to brew at least part of the beer they sold. The number of ordinary breweries had decreased to three. Nowadays the two biggest ones are owned by global brewing companies.

During the 1950-2000 period almost all beer consumed in Finland was domestically produced. For instance, in 2000 total beer consumption amounted to 4.5 million hectolitres and the beer imports to 0.07 million hectolitres. Also beer exports have been low. In 2000 about 0.3 million hectolitres were exported mostly to neighbouring countries and another 0.3 million hectolitres were sold for

tax-free sales. A good deal of the beer exported and sold for tax-free purposes was in fact brought back to Finland by Finnish travellers.

There is no grape growing in Finland. However, wines are produced in Finland. Private wine and liqueur production has its origin in the need to create a demand for domestic agricultural products in the 1930s. Of the six private producers of wine and liqueur in 1980, the two largest were subsidiaries of larger industrial companies. In 1994 there were four private wine producers in Finland. By the end of 2000 there were 53 licences for producing berry and fruit wines. This increase primarily reflects the increasing number of wine farmers producing small quantities under licence. At the same time the two largest private wine and liqueur producers were merged together and sold to the Swedish company Vin & Sprit.

Finnish berry and fruit wines have had important shares in the Finnish wine market. For instance, in the mid-1990s about half of the wines sold in Finland were also made in Finland. Furthermore, nearly one third of the rest consisted of wine imported in bulk and bottled in Finland. Consequently, only about one fifth of all wine sold in Finland was imported in bottles. Wine exports have usually been rather small with some occasional jumps. In recent years the wine sold in back-in box has increased, and its share is about xxx per cent of all wine sales.

Until 1995 Alko was the only company distilling spirits in Finland. While the number of distillers had risen to 46 by the end of 2000, Primalco, the producing part of the old Alko was still clearly the largest one. The remaining distilling licence-holders are mostly restaurants, wine farmers, or local small- or medium-scale producers. One class of distilled spirits produced in Finland consists of products in which the producer imports ethyl alcohol and only dilutes, flavours, and bottles the final product in Finland.

At the beginning of the 1980s imports of distilled spirits were 8 per cent of spirits consumption. In 1994 the imports of distilled spirits were on about the same level or 39,000 hectolitres but in 2000 the imports had increased to 101,000 hectolitres. As the total consumption of distilled spirits had decreased by 2000 to 260,000 hectolitres, imported spirits accounted for 38 per cent of total spirits consumption. Exports of distilled spirits, in the main vodka, started in the mid-1960s. In the late 1970s exports reached 50,000 hectolitres, in 1990 the figure was 103,000 hectolitres and in the mid-1990s about 150,000 hectolitres.

It has been illegal for private persons to distil spirits for their own use since 1932. It has also been illegal to market or sell distilling equipment for home production since 1976. On the other hand, making wine or beer for personal use has been legal since 1932, and it is also legal to sell beer- and wine-making equipment. Beer- and wine-making equipment sales increased especially during the economic depression in the first half of the 1990s. Since the mid-1990s making beer or wine at home has been on the decrease.

4. Administrative structure of alcohol policy

The Prohibition Act for alcoholic beverages was passed by an unanimous vote in parliament in 1907. However, at that time Finland was annexed to Russia as an autonomous Grand Duchy, and the Prohibition Act was not authorised by the Russian Tsar. After several more votes in parliament, the Prohibition Act finally became effective in independent Finland on June 1, 1919, banning all beverages containing more than two per cent alcohol by volume. Already from 1917 Finland had

had a temporary prohibition, and it has been argued that Finland in fact had practised total prohibition on alcohol sale from 1914.

In the following years the Prohibition Act became wider in scope and involved more severe penalties. However, despite harsher penalties and more effective policing it proved impossible to put an end to smuggling and bootlegging as well as illegal on-premise retail sales of alcohol. The growth in alcohol-related problems during the 1920s, coupled with the worldwide depression in the early 1930s, finally put an end to the Finnish Prohibition era.

In 1932 the Finnish Parliament enacted alcohol legislation that gave the country a new system of alcohol control based on a state alcohol monopoly. This system became the cornerstone of Finnish alcohol control until 1995. The state alcohol monopoly company, Alko, had the monopoly on production, import, export, and sale of alcoholic beverages. Alcoholic beverages were defined as all beverages containing more than 2.8 per cent alcohol by volume. All beverages containing less alcohol were treated as non-alcoholic, and alcohol legislation had no bearing on their production or sale.

In 1969 a more liberal Alcohol Act and a special Medium Beer Act came into force. The 1968 alcohol legislation, in force until 1995, increased alcohol availability in many ways but kept the basic monopoly construction intact, with one exception. This exception concerned medium beer, as the Medium Beer Act gave Alko the right to grant ordinary grocery stores and cafés licences to sell beer containing less than 4.7 per cent alcohol by volume. On the other hand, Alko still retained the power to set retail prices for medium beer as well as the mark-up for medium beer retailers.

The 1968 alcohol legislation repealed the existing so-called rural prohibition, which had meant that under the 1932 Alcohol Act, Alko was not allowed to open liquor stores in rural municipalities, and those few licensed restaurants allowed in rural areas were meant to serve travellers and tourists. The 1968 alcohol law also lowered age limits on buying alcoholic beverages off the premises.

There were only minor amendments in alcohol legislation between 1969 and 1995. The most important amendments concerned alcohol advertising in the second half of the 1970s and alcohol taxation in the first half of the 1990s. The crucial change took place on January 1, 1995, the day when Finland became a member of the EU, and when the 1994 Alcohol Act repealed alcohol monopolies on production, import, export, and wholesale, leaving however the monopoly on off-premise retail sale of alcoholic beverages almost intact).

Additionally, at the beginning of 1995, ordinary grocery stores and medium beer cafés could, for the first time, sell all alcoholic beverages produced by fermentation that were under 4.7 per cent alcohol by volume. Previously, since the beginning of 1969, they had been able to sell only medium beer. In 1995 the practice of selling beverages under 4.7 per cent alcohol by volume was also extended to include kiosks and petrol stations which also sold foodstuffs.

The 1994 Alcohol Act reorganised Finnish alcohol control in many other ways, too. Before 1995 the majority of Finnish alcohol research had been financed by Alko. In 1996 social alcohol research within Alko and all alcohol education and information activities were moved to the National Research and Development Centre for Welfare and Health (Stakes). Biomedical alcohol research was transferred to the National Public Health Institute. Both these organisations, as well as the National Product Control Agency for Welfare and Health, are under the Ministry of Social Affairs and Health.

On January 1, 1995, all former alcohol monopoly activities remaining in Alko were collected under one corporation, the Alko Group which also needed a licence from the National Product Control Agency for Welfare and Health). In January 1998 a decision was reached to further divide the remaining Alko Group into a retail monopoly (Alko) and a state owned alcohol producer (Altia Group). Alko is directly under the Ministry of Social and Health Affairs concentrates totally on off-premise retailing of alcoholic beverages.

In 1995 Finland adopted a proposition for a national alcohol policy programme that to a large extent was based on the European Alcohol Action Plan (EAAP) drafted by WHO-EURO in 1992. A revised national programme (Onks tietoo?) as well as a plan to implement it was adopted two years later 1997:14). The national operative alcohol action plan tried to shift the focus of preventive alcohol policies from national to local level. The action plan emphasised that citizens, pressure groups and organisations, together with media and the public sector, as well as the alcohol trade should work together in order to strengthen and develop the Finnish alcohol policy.

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The many administrative and organisational changes that had profoundly mixed the field of alcohol politics in 1995 worsened the poorly financed alcohol programmes possibilities to succeed. The first alcohol programmes were never properly adopted, neither by the Ministry of Social Affairs and Health, nor by the Parliament or the Government. The first three programmes implemented between 1995 and 2004 could therefore be regarded more or less as failures.

The Finnish Alcohol programme 2004-2007, which was published in the spring of 2004 could therefore be considered the first serious attempt since 1995 to back up alcohol matters on a national scale. The programme contains a vision of large-scale cooperation between sectors, administrative levels, industry organisations and NGOs. It also tries to commit public, voluntary and market agencies within partnerships crossing horizontal sectors and hierarchical levels.

5. Licensing policy

The 1994 Alcohol Act reorganised the former comprehensive state alcohol monopoly system by transferring many of Alko's former activities to other or totally new administrative bodies. The 1994 Alcohol Act introduced a new state agency, the National Product Control Agency for Welfare and Health, which replaced Alko as the state alcohol administrator. Since January 1, 1995, the National Product Control Agency for Welfare and Health has been the state agency which grants licences for production, import, and wholesale of all alcoholic beverages, as well as licences for retail sale of all alcoholic beverages over 4.7 per cent by volume. Since the beginning of 1995 licences for retailing alcoholic beverages under 4.7 per cent by volume are granted by provincial administrative boards.

Licenses for production. Before 1995, Alko was granting production licences to private producers of alcoholic beverages, in practice to breweries and to manufacturers of berry and fruit wines and

liquors. As the state monopoly on commercial alcohol production was abandoned in January 1995, this licensing practice could not continue, and from the beginning of 1995 all alcohol producers had to obtain their production licences from the National Product Control Agency for Welfare and Health. To get this licence the applicant had to be trustworthy and have no registered crimes. The price of the production licence was 10,000 Finnish marks or about 1,680 euro and included the right to import and wholesale alcoholic beverages. There was also an annual control fee, depending upon the quantity produced from 1,320 to 83,300 euro. In 2000 the price of the production licence was decreased to 8,000 Finnish marks and from 2000 the annual control fee can be at its highest about 16,800 euro.

Licences for imports and wholesale. Before 1995 Alko was the only importer and wholesaler of alcoholic beverages, with the exception of medium beer. Since 1969, beer production licences granted to private breweries by Alko also permitted them to wholesale medium beer. Until 1995 Alko, however, set all beer prices, including the wholesale price for medium beer. Therefore, there could not be any real competition concerning medium beer on the wholesale level.

From the beginning of 1995, licences for the wholesale of alcoholic beverages have been granted by the National Product Control Agency for Welfare and Health. This wholesale licence also includes the right to import those alcoholic beverages the licence concerns. In 1994 there were nine wholesale licences for beer in force. By January 1998 there were 110 wholesale licences for all alcoholic beverages and 25 for beverages under 22 per cent alcohol by volume. The fee for the wholesale licence was 1,680 euro regardless of whether the licence covered all alcoholic beverages or lower alcohol content beverages. In 2000 the application fee decreased to approximately 840 euro and there were 182 wholesale licences in force. The increase in the number of wholesale licences has been rapid, but the ten most important licence-holders account for some 90 per cent of the total wholesale turnover.

Licences for retail sale. According to the 1932 Alcohol Act, Alko was the only body to retail alcoholic beverages off the premises. Furthermore, Alko was the agency licensing private restaurants to retail alcoholic beverages on the premises. The 1968 alcohol legislation changed the situation so that from the beginning of 1969 Alko was licensing ordinary grocery stores to retail medium beer off the premises and cafés or bars to retail medium beer on the premises. The 1994 alcohol law did not change the basic retailing structure of alcoholic beverages. To be sure, from the beginning of 1995 wine farmers were able to get the right to retail their own products under 13 per cent alcohol by volume off the premise, and grocery stores as well as medium beer cafés could retail medium beer and other fermented alcoholic beverages under 4.7 per cent by volume like ciders, low alcohol wines and wine drinks. In 1995 this practice extended also to food-selling petrol stations and kiosks, but not to sale through a window.

Since the beginning of 1995, licences for retailing and dispensing alcoholic beverages over 4.7 per cent by volume have been granted by the Product Control Agency. Licences for retailing alcoholic beverages under 4.7 per cent by volume have since then been granted by the State Provincial Offices. The most important changes in the criteria for licensing were that when Alko was granting licences it could use needs assessment, while after 1995 only legal aspects were counted when granting licences. The second change was that, before 1995, applying and granting a licence was free of charge, while after 1995 there is a fee for applying for a licence. In 2005 the fee for applying an on-premise license was 500 euro. Additionally, there is an annual control fee ranging from 84 to 670 euro depending on the volume of alcohol sales in the restaurants. The fee for an off-premise license for fermented beverages containing less than 4,7 per cent alcohol by volume was in 2005 200 euro a year. The control fee paid annually was 100 euro.

Since the beginning of 2005 the State Provincial Offices are in charge of granting all liquor licenses and they are also responsible of making decisions on the implications of offences against licensing regulations. The Product Control Agency is still in charge of supervision in the entire country, which includes the guidance and development of the State Provincial Offices' licence administration and supervision, producing information and communication services of the alcohol administration as well as the supervision of the retail and dispensing of alcoholic beverages and their advertising and promotion in the whole country (Alcohol Issues in Licensed Premises, 2005).

Table 5.1. The number of places for off- and on-premise retail sale of alcoholic beverages in Finland from 1950 to 2000

| Year | Alko stores | Grocery stores | Restaurants, A-licences* | Restaurants, B-licences* | Total restaurants | Cafés* |
|------|-------------|----------------|--------------------------|--------------------------|-------------------|--------|
| 1950 | 83 | - | 247 | 101 | 348 | - |
| 1955 | 96 | - | 279 | 120 | 399 | - |
| 1960 | 94 | - | 419 | 124 | 543 | - |
| 1965 | 108 | - | 518 | 200 | 718 | - |
| 1970 | 157 | 16,736 | 1,011 | 171 | 1,182 | 3,299 |
| 1975 | 194 | 11,968 | 1,240 | 230 | 1,470 | 3,078 |
| 1980 | 204 | 9,248 | 1,294 | 231 | 1,525 | 2,655 |
| 1985 | 212 | 7,666 | 1,402 | 252 | 1,654 | 2,618 |
| 1990 | 240 | 6,706 | 2,181 | 379 | 2,560 | 3,128 |
| 1995 | 251 | 8,076 | 3,222 | 270 | 3,492 | 5,899 |
| 2000 | 275 | 7,348 | 4,630 | 264 | 4,904 | 4,050 |

* A-licences are for all alcoholic beverages, B-licences are for alcoholic beverages up to 22 per cent alcohol by volume and cafés refer to licenses for medium beer sales from 1969 to 1994 and for sales of all fermented alcoholic beverages up to 4.7 per cent by volume from 1995 on.

Sources: Alcohol Statistical Yearbooks, 1950-1994; Intoxicants Statistical Yearbooks 1997-2000; Yearbook of alcohol and drug statistics, 2001

In 1950 drinkers could get alcoholic beverages from 83 Alko shops, all situated in towns, as well as from 348 restaurants, which with very few exceptions were also situated in towns (Table 5.1). In 1970 a drinker could get alcoholic beverages from four different types of retail outlets. The first possibility was to visit one of the 157 Alko shops. The second possibility was to visit one of the 1,182 licensed restaurants, 1,011 of them serving all alcoholic beverages and 171 serving alcoholic beverages with an alcohol content of up to 22 per cent by volume. The third alternative was one of the 16,736 grocery stores where medium beer was sold, and the fourth alternative was one of the 3,299 on-premise medium beer cafés.

In 2004 there were 320 Alko stores in Finland as well as 141 delivery points where one could order alcoholic beverages from the nearest Alko shop, and 54 shops in connection with a wine farm or a sahti production plant. In addition fermented beverages with alcohol content up to 4.7 per cent volume could be bought in 6,839 grocery stores. The total number of restaurants with full alcohol license at the end of 2004 was 5,309 and the number of cafés able to sell fermented beverages of up to 4.7 per cent alcohol by volume was 3,435. Altogether there was 8,456 licensed establishments.

| Box 5.1 State control on production and foreign trade of alcohol | | | | | | |
|---|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| State monopoly | | | | | | |
| | Beer | | Wine | | Spirits | |
| | Yes | No | Yes | No | Yes | No |
| Production | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Import | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Export | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| License is required | | | | | | |
| | Beer | | Wine | | Spirits | |
| | Yes | No | Yes | No | Yes | No |
| Production | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Import | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Export | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

| Box 5.2 State control on wholesale and retail sale of alcohol | | | | | | |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| State monopoly | | | | | | |
| | Beer | | Wine | | Spirits | |
| | Yes | No | Yes | No | Yes | No |
| Wholesale | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Off-premise retail sale | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| On-premise retail sale | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| License is required | | | | | | |
| | Beer | | Wine | | Spirits | |
| | Yes | No | Yes | No | Yes | No |
| Wholesale | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Off-premise retail sale | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| On-premise retail sale | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

| Box 5.3 Selling or serving of alcohol in retail outlets | | | | |
|--|---|-------------------------------------|--|-------------------------------------|
| | Off-licence (shops, kiosks, retail stores, supermarkets) | | On-premise (bars, cafés, pubs, restaurants) | |
| | Yes | No | Yes | No |
| All retail outlets are allowed to sell/serve alcoholic beverages | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| A license is required, but all applicants get one | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| A license is required, some applicants do not get one | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Alcohol is only sold/served in specific/regulated premises | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

6. Restrictions of availability

Since 1969 the age limit on buying alcoholic beverages of up to 22 per cent alcohol by volume has been 18 years and on stronger alcoholic beverages 20 years, instead of the earlier age limit of 21 years on all alcoholic beverages.

According to the law, the legal age limit for on-premise sale of all alcoholic beverages has been 18 years since 1932. Restaurants have, however, been allowed to choose their customers and apply higher age limits.

Before July 1997 the age limit of 18 years was applied to beverages containing more than 2.8 per cent alcohol by volume, but because of increased worries about adolescent drinking the age limit was extended to other beverages containing even small amounts of alcohol. Currently the legal age limit of 18 years is applied to all alcoholic beverages containing over 1.2 per cent alcohol by volume. There are no derogations to these limits.

The age limits are enforced fairly well both off- and on premise, but because of the relatively poor resources allocated to alcohol control the risk of an establishment or shop being caught of serving or selling to under aged is quite small.

| Box 6.1 Age limits for buying alcoholic beverages | | |
|--|--|---|
| | Off-premise, take-away (stores, shops, supermarkets) | On-premise, drinking on the spot (cafes, pubs, restaurants) |
| Beer | 18 years | 18 years |
| Wine | 18 years | 18 years |
| Spirits | 20 years | 18 years |

During the 1950s and 1960s there were many restrictions regarding the amount of alcoholic beverages a customer could buy in an Alko store. In the 1950s customers were bound to a specific Alko store and had to carry a special identification card to buy alcoholic beverages. All purchases were recorded. Most of these restrictions were lifted between the late 1950s and the beginning of the 1970s. Prior to 1985 a customer could not buy more than two litres of white spirits in one visit to an Alko store. In 1985 this rule and the regulation limiting the bottle size of alcoholic beverages were abandoned. In the early 1980s Alko began to accept bank cards, and since the late 1990s also credit cards have been accepted. Restaurant customers had been able to buy their alcoholic beverages with a credit card much earlier.

During the 1980s, grocery stores sold medium beer during their ordinary opening hours, which were from 9 a.m. to 8 p.m. Monday through Friday and from 9 a.m. to 6 p.m. on Saturday. Grocery stores in rural areas have been allowed to stay open on Sunday since 1991. Today grocery stores are open from 8 a.m. to 9 p.m. Monday through Saturday as well as on Sunday in the summer time. Kiosks and gasoline stations are open even longer, but must stop medium beer sales at 9 p.m.

The physical availability of alcoholic beverages has improved considerably during the past few decades. For instance, at the beginning of the 1980s, only seven Alko shops operated on a self-service basis. In the late 1980s their number was 54, and by the mid-1990s practically all Alko stores had changed to self-service stores. However, in 1979 Alko began to keep its stores closed on

Saturdays during the summer months, i.e., from the beginning of May until the end of September. In 1991 this policy was discontinued, and all Alko stores were open Monday through Saturday all year round.

The opening hours for the Alko stores during the 1980s were as follows: on Monday through Thursday, from 10 a.m. to 5 p.m., on Friday from 10 a.m. to 6 p.m., and on Saturday from 9 a.m. to 2 p.m. In the 1990s the opening hours of Alko stores were extended. At the end of 2000 about two thirds of the shops were open from 9 a.m. to 4 or 6 p.m. Monday through Thursday, until 6 or 8 p.m. on Friday, and until 4 p.m. on Saturday. About one third of the stores were open from 9 a.m. to 8 p.m. Monday through Friday and until 6 p.m. on Saturday. The motive for longer hours is to provide customers with better service.

To provide better customer service, Alko started mail delivery of alcoholic beverages in 1990. In 1997, after a two-year experiment, Alko authorised, in municipalities that did not have monopoly stores, certain shops, such as bookstores or flower shops, to act as special delivery places, where a customer can place an order for alcoholic beverages, then collect and pay for them the next day. Ordinary grocery stores cannot, however, become delivery places in Finland. In June 1997 there were 46 delivery places in operation. At the end of 20043 their number was 141.

| Box 6.2 Sales restrictions on off-premise sale of alcohol | | | | | | |
|--|-------------------------------------|-------------------------------------|-------------------------------------|--------------------------|-------------------------------------|--------------------------|
| | Beer | | Wine | | Spirits | |
| | Yes | No | Yes | No | Yes | No |
| Hours of sale are restricted | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Days of sale are restricted | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Places of sale are restricted | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Density of outlets is restricted | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

For decades Alko controlled and supervised restaurants through detailed regulations that included dancing, serving customers sitting at the bar, and eating in connection with drinking. In addition, drink size, bookkeeping practices, how open bottles should be handled, and storing and accounting of beverages were regulated. Also restaurants controlled their customers and in the late 1980s there were perhaps more customer regulations initiated by the restaurants themselves than by Alko.

Until 1986 serving of distilled spirits and wine in restaurants began at 12 noon, and serving of beer began at 9 a.m. Since 1987, distilled spirits and wine service began at 11 a.m. but after the 1994 Alcohol Act became effective in 1995, all alcoholic beverages have been served beginning at 9 a.m.

Closing times for restaurants have varied over the years. Prior to 1992 restaurants had to close by 12 midnight or 1 a.m. The 1 a.m. closing time was practised in higher quality restaurants, but the chief of police could prolong opening hours until 2 or 3 a.m. In the 1980s about 200 restaurants stayed open until 2 a.m. and some 50 restaurants until 3 a.m. Since 1992 restaurants have been open until 2 a.m. with the possibility of extended hours until 3 or 4 a.m. if permitted by the chief of police, but medium beer cafés have to close at 10 p.m.

The 1994 Alcohol Act transferred the power to extend hours of operation from the chief of police to the National Product Agency for Welfare and Health. In 1997 some 700 to 800 restaurants were

open until 3 a.m. and some 350 until 4 a.m. In 1995 medium beer cafés were allowed to extend hours of operation to 2 a.m. (Holmila, Metso & Österberg, 1997).

| Box 6.3 Sales restrictions on on-premise sale of alcohol | | | | | | |
|---|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| | Beer | | Wine | | Spirits | |
| | Yes | No | Yes | No | Yes | No |
| Hours of sale are restricted | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Days of sale are restricted | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Places of sale are restricted | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Density of outlets is restricted | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

7. Alcohol taxation and prices

According to the Finnish Alcohol Acts of 1932 and 1968, the pricing of alcoholic beverages was one of Alko's many tasks. In order to better regulate how Alko's surplus was transferred to the state, the parliament established in the late 1970s a system whereby Alko was to pay a percentage of its total turnover as alcohol tax to the state. In 1979 this rate was set to 60 per cent. This meant that as long as Alko was able to meet this percentage it could quite freely affect price relations between different beverage categories, as well as the prices of individual beverages inside a certain beverage category.

In 1990 the law on alcohol taxes was changed, and from the beginning of 1991 the alcohol tax was 60 per cent of the turnover of distilled spirits, 55 per cent of the turnover of fortified wines, and 45 per cent of the turnover of table wines. Even this new Law on Alcohol Taxes gave the monopoly plenty of freedom in pricing alcoholic beverages because the law did only define the total amount of taxes Alko had to pay to the state, not the amount of taxes Alko had to collect from the sales of different beverage categories not the share of Alko's markups in the price of individual alcoholic beverages inside these beverage categories.

Under the 1990 Law on Alcohol Taxes, taxes on alcoholic beverages were not based on their volume or the amount of alcohol they contained. Taxes were based on the retail price of alcoholic beverages or on the price of the beverages that Alko had paid as well as on Alko's markup and expenses on handling and selling the beverages. Furthermore, turnover or value-added tax was included in the retail price of alcoholic beverages. This kind of taxing system favoured domestic products and cheap beverages and worked against imported and expensive beverages. Therefore, the taxing system was obviously against the taxing principles adopted by the EU which presupposes that there should not exist any discrimination whatsoever in taxing and pricing of alcoholic beverages coming from different EU countries (Horverak & Österberg, 1992). Nor was the Finnish pricing system transparent or objective as Alko could use different markups for different beverages even inside the same beverage category.

One should note here that the Finnish alcohol pricing system before 1994 never claimed or was even meant to be non-discriminatory. In fact, one conscious and openly declared aim of putting the pricing of alcoholic beverages into the hands of Alko was that Alko could use pricing policy for the purposes of preventive alcohol control. One way to fulfil this obligation was to discourage harmful drinking habits and the consumption of harmful beverages, defined generally as distilled spirits, and to encourage the consumption of less harmful beverages, mostly defined as wines and beer. The

pricing system made it also possible to put extra high markups on certain individual beverages when the beverages in question had become too popular. This pricing technique was also used in practice, for instance, in raising the prices of alcoholic beverages which were especially favoured either by young adults or alcoholics.

According to the 1932 and 1968 Alcohol Acts, restaurants sold alcoholic beverages as Alko's agents and received a commission for this activity. In the long run the system became very complicated and rigid, with different price categories of restaurants and different price groups inside these categories. In 1988 the system became somewhat less rigid but even more complicated, as the restaurant could now decide its pricing policy separately for each beverage category inside the maximum-minimum system. This system continued until the year 1995 when restaurants were allowed to price their beverages at will.

In July 1994, Finland instituted new alcohol tax legislation where taxes were based on the volume of pure alcohol in the beverage. In this respect, the new taxing system was both non-discriminatory and transparent. In January 1995, some further adaptations were made following these principles. Consequently, since January 1, 1995, the excise duty rate has been separate for beer, wine, intermediate products and distilled spirits. The excise duty on beer and distilled spirits is calculated directly on the basis of the alcohol content. The more alcohol the beverage contains the higher the excise duty, and the amount of the excise duty is a linear function of the alcohol content. The excise duty on wine is calculated on the basis of beverage litres in four different alcohol content categories, meaning that inside a given category the excise duty in Euro is the same for all wines. For instance, the excise duty per litre of table wine with an alcohol content of 9 per cent by volume is exactly the same as per litre of table wine with an alcohol content of 13 per cent by volume. According to the current tax law, one centilitre of alcohol is taxed more heavily in the form of distilled spirits than in the form of wine or beer, and more heavily in the form of beer than in the form of wine. Finland also practises the system where independent small breweries get lower excise duty rates.

Since the beginning of 1995 the excise duty rates have been the same with two exceptions. In January 1997 the excise duty rates for intermediate products and wines over 5.5 per cent alcohol by volume were lowered. For wine over 5.5 but less than 8.0 per cent alcohol by volume, the rate decreased from 1,300 Finnish marks per hectolitre to 1,100 Finnish marks. The corresponding change for wine over 8.0 per cent alcohol by volume was from 1,700 to 1,400 Finnish marks. The tax rate for intermediate products under 15 per cent alcohol by volume changed from 3,000 Finnish marks per hectolitre to 2,550 and for intermediate products over 15 per cent alcohol by volume from 5,000 to 4,200 Finnish marks.

Table 3. Excise duty rates for alcoholic beverages in Finland in 2000 and in 2005 in Finnish marks and in euro

| Alcoholic beverage category* | FMK in 2000 | EUR in 2000 | EUR in 2005 |
|--|-------------|-------------|-------------|
| <i>Beer, per hectolitre per degree of alcohol in the finished product</i> | | | |
| From 0.5 to 2.8% alcohol by volume | 109.00 | 1.68 | 1.68 |
| Over 2.8% alcohol by volume | 170.00 | 28.59 | 19,45 |
| <i>Wine, and fermented beverages other than wine and beer, per hectolitre of the product</i> | | | |
| 1.2 or over but less than 2.8% alcohol by volume | 27.00 | 4.54 | 4,54 |
| 2.8 or over but less than 5.5% alcohol by volume | 800.00 | 134.55 | 103,00 |
| 5.5 or over but less than 8.0% alcohol by volume | 1,100.00 | 185.01 | 152,00 |
| 8.0% alcohol by volume or over | 1,400.00 | 235.46 | 212,00 |
| <i>Intermediate products, per hectolitre of the product</i> | | | |
| Not exceeding 15% alcohol by volume | 2,550.00 | 428.88 | 275,00 |
| Over 15% alcohol by volume | 4,200.00 | 706.39 | 424,00 |
| <i>Distilled beverages, per hectolitre of pure alcohol in the finished product</i> | | | |
| 1.2 or over but less than 2.8% alcohol by volume | 1,000.00 | 168.19 | 168,00 |
| 2.8 or over but less than 10% alcohol by volume | 25,500.00 | 4,456.98 | 2825,00 |
| 10% alcohol by volume or over | 30,000.00 | 5,045.64 | 2825,00 |

Source: European Commission, DG XXI, Excise duty tables, November 2000 and January 2005.

In 2004 alcohol taxes were cut on the average by 33 per cent. Taxes on distilled spirits were lowered by 44 per cent and those of fortified wines by 40 per cent. Wine taxes were cut 10 per cent and beer taxes by 32 per cent. These tax cuts were made in order to combat travellers' alcohol imports from Estonia, a country with clear lower alcohol prices than Finland.

Besides moving from value-based alcohol taxes to volume-based taxes, the whole alcoholic beverage pricing system was made transparent, as Alko's markups for different beverage categories are now openly declared. Since July 1994, each producer, importer, or wholesaler could, knowing the price he or she was offering for a certain beverage to Alko, count the final retail price of that beverage. However, Alko's markups for each beverage category still depend on the amount of sales inside certain intervals. The bigger the sales the smaller Alko's markup in Finnish marks per sold litre. Value added tax has been 22 per cent for all alcoholic beverages during the time of the Finnish EU-membership.

In Finland the real price index of all alcoholic beverages had in 1969 and 1980 practically the same value as in 1951 (Alcohol statistical yearbook, 1973, 12; Yearbook of alcohol and drug statistics, 2001, 108). During the 1980-1991 period the real price index of all alcoholic beverages increased by 18 per cent. Since 1991 real prices of alcoholic beverages have decreased very modestly, leaving the real price index for all alcoholic beverages at a much higher level in 2000 than it was in 1980 or in 1951 (Yearbook of alcohol and drug statistics, 2001, 108). As the average real price of alcoholic beverages has not fluctuated much in the 1951-1980 period it can be stated that since the beginning of the 1950s, real prices of alcoholic beverages have never been as high as they were in the 1990s. This also means that EU-based changes in the structure of alcohol taxation in 1994 and 1995 left the real price level of alcoholic beverages practically unchanged. This was also the explicit aim when Finland moved from value- to volume-based alcohol taxation.

Both off- and on-premise prices of alcoholic beverages have increased in the 1969-2000 period. In 1980 off-premise prices were about 5 per cent lower and on-premise prices some 20 per cent higher than in 1969. In the 1980-1991 period the increase in off- and on-premise prices was 13 and 30 per cent respectively. Since 1991 both off- and on-premise prices have fallen slightly in real terms. Compared with 1969, off-premise prices in 2000 were some 5 per cent and on-premise prices some 50 per cent higher.

In the 1951-1980 period wine prices decreased in relation to the prices of distilled spirits and beer. During the 1980-1991 period real prices increased in all beverage categories in about the same manner as the general price index for all alcoholic beverages, with the exception of table wines with decreasing real prices (Holder et al., 1998). At the beginning of the 1990s, real prices of all beverage categories remained stable. After 1993 we find stable real prices for table wines, some decreases for strong alcoholic beverages and strong beer, and increases for fortified wines and medium beer. In 2000 real prices for table wines were some 7 per cent lower than they were in 1980; the real price index for distilled spirits shows a slight 3-per-cent decrease, and the price for beer was about 20 per cent higher than in 1980. Thus, there have been some changes in relative prices between different beverage categories both before and after the EU adaptation.

In 2000 some 60 per cent of beer prices and wine prices constituted of taxes. The corresponding percentage for distilled spirits was 88 per cent. Counted per one litre of pure alcohol the excise duty on wine was nearly one third less than on beer and on distilled spirits about two thirds more than for beer.

8. Alcohol advertising and sponsorship

Before 1977 alcohol advertising was regulated by Alko. Between 1977 and 1994, all alcohol advertising was banned by law except in some business magazines. Despite the ban, there were, however, some subliminal advertising of beer made by advertisements of light beer containing up to 2.8 per cent alcohol by volume, as these products were not defined as alcoholic beverages according to the Alcohol Act.

The 1994 Alcohol Act legalised the advertising of alcoholic beverages with alcohol content from 1.2 up to 22 per cent alcohol by volume. However, according to the principles put forward in the Television without frontiers directive given by the Council in 1989, the Finnish Alcohol Act also prohibits the advertising of alcoholic beverages if aimed at minors, if the advertisement depicts alcohol consumption linked to driving a motor vehicle, or if heavy alcohol consumption is described in the advertisement in positive terms. Also forbidden are advertisements suggesting that alcohol increases functional capacity, makes one socially or sexually more successful, has medical or therapeutic properties, refreshes, or is a means to settle conflicts.

Direct and indirect advertising of strong alcoholic beverages (over 22 per cent alcohol by volume) is forbidden in printed and broadcast media. The only place where advertisements of strong alcoholic beverages are allowed, are inside licensed establishments, so that the advertisements are not visible from the outside. Regulations concerning alcohol advertising and sales promotion are enforced by the Product Control Agency for Social Welfare and Health (<http://www.sttv.fi>).

| Box 8.1 Restrictions on advertising and sponsorship* | | | | |
|---|--------------------|---------------------------|---------------------|-----------------|
| | Complete legal ban | Partial legal restriction | Voluntary agreement | No restrictions |
| EXAMPLE National TV | <i>S (spirits)</i> | | <i>W (wine)</i> | <i>B (beer)</i> |
| National TV | S | | | |
| Cable TV | S | W, B | | |
| National radio | S | W, B | | |
| Local radio | S | W, B | | |
| Printed newspapers/magazines | S | W, B | | |
| Bill boards | S | W, B | | |
| Internet | S | W, B | | |
| Points of sale | | S, W, B | | |
| Cinema | S | W, B | | |

* Please provide information on the extent to which alcohol advertising is regulated in different media by filling in B (BEER), W (WINE) and S (SPIRITS) for each type of media below.

9. Situational sobriety

The first known traffic accident in Finland involving a motor car occurred in 1907 when a drunken driver in Helsinki ran into a lamppost in the Railway Station Square. This, however, did not involve a criminal offence, because the drunk driving was not criminalised in Finland until in 1926. At that time the punishment for driving motor vehicle when intoxicated was a fine or a maximum of one year's imprisonment. In 1937 the maximum term of imprisonment was raised to two years, and in 1950 to four years. Furthermore in 1950, the maximum punishment for drunk driving resulting in another's death was seven years' imprisonment. In 1957 this maximum was raised to eight years.

It was not until 1959 that blood alcohol tests and clinical examinations became mandatory in Finland. Before 1977 there was no statutory limit for blood alcohol concentration (BAC). In March 1977, two BAC limits were introduced. The lower was set at 0.05 per cent and the upper at 0.15 per cent. The aim was that convictions for driving with a BAC over the lower limit should result as a rule in a fine, while driving with a BAC over 0.15 per cent would generally lead to prison sentences for a maximum of two years. As before, convicted drunken drivers were to lose their driving licence for a given period of time. In autumn 1994 the upper limit or the limit for aggravated drunk driving was lowered from 0.15 per cent to 0.12 per cent. At the same time the BAC limit for those in charge of a boat was set at 0.1 per cent.

Until 1969, appearing drunk in public was a criminal offence in Finland. In 1969 it was decriminalised, but still police could take drunken people to a shelter for sobering up. While the 1970s and '80s were largely an uneventful period from the perspective of the regulation of public drinking, the 1990s marked a turning point in the situation. Until 1995 it was illegal to drink in public. This practice was changed in 1995, and drinking in public places was allowed for the first time in Finnish history. Local municipalities had, however, still the possibility to regulate public drinking and many municipalities banned public drinking in the late 1990s. This was the situation up until October 2003 when a new Act on Public Order came into force and abolished the local ordinances, which were seen as problematic by both the legislator and the police. According to the Act public drinking was to be regulated using a technique based on a total ban, however permitting well-mannered drinking in parks and other places as such.

10. Education and information

Before 1995 alcohol education and information in Finland has traditionally been the responsibility of Alko. Already in the beginning of the 1950s Alko used different informative messages for strengthening its alcohol policy based on regulating the availability of alcoholic beverages. In the 1960s Alko launched a campaign to promote Mediterranean drinking habits and the consumption of wines instead of distilled spirits (Warsell, 1998).

At the beginning of the 1970s the Parliament gave Alko the responsibility for providing information to the public about the harmful effects of alcoholic beverages. Alko's task was to educate the public about the dangers of drinking alcohol primarily through campaigns using broadcast media, posters and leaflets. This could be seen as support to the consumer information aspect, but at the same time it also strengthened the credibility of a responsible alcohol policy. Alko's information and education campaigns have significantly changed during the years. At the beginning Alko's information and education was moralising and largely based on scare tactics stressing the worst consequences of alcoholic beverages, but with time these moralising aspects were toned down.

After Finland joined the EU and had to abolish a great deal of its comprehensive alcohol monopoly system, Alko's education and information activities had to be moved elsewhere. In 1996 the development of preventive work against alcohol and drugs were moved to Stakes which coordinates preventive work at the national level and develops local level drug programs together with the communities. The information and education activities focused on the general public were moved in 1996 to the Finnish Centre for Health Promotion. In addition to regular consumer information and information about alcohol in society in general Alko, since the beginning of 1999, is again providing financial aid to different prevention programs and information campaigns as well as supporting the implementation of the national alcohol action plan.

The new Alcohol programme published in April 2004 does, however, more directly focus on the prevention as well as reduction of alcohol-related problems. The programme emphasises the importance of co-operation and voluntary partnerships between the public sector, NGOs and industry organisations in the alcohol field. A new feature for this programme is that it to a larger extent than its predecessors is involved in financing and the creation of alcohol-related education and prevention efforts.

11. Public support for alcohol policy

Finnish attitudes on prevailing alcohol policy became more liberal from the mid 1980s to the mid 1990s. During the EU membership the share of "alcohol liberals" has decreased however and now about 60 % of the Finns are for the prevailing alcohol policy.

In Finland beer is almost totally sold in grocery stores, whereas strong beer, wine and distilled spirits can only be sold in monopoly stores. According to public opinion medium beer belongs to grocery and distilled spirits to monopoly stores. Opinions on beer and wine sales are more divided.

During the years 1998 to 2004 the share of those willing to keep wine only in monopoly stores has increased from one third to half of the respondents. This is an indication that people do not have very good rooted opinions on the wine question.

The question "in your opinion, where should the public be permitted to purchase wine" does not include the possible outcomes of starting wine sales in grocery stores. When adding to this question the possibility that monopoly's retail network will be decreased, the share of people willing to start wide sales in grocery stores decreases from one half to one third.

A clear majority of Finns are for the present age limit, both the legal age limit of the 18 years for wine and beer and the 20 years age limit for distilled spirits. Also half of Finns were in January 2005 of the opinion that prices of alcoholic beverages are appropriate.

12. NGO's

After the decline and dissolution of the temperance movement in the latter part of the 20th century, the NGO's in the alcohol field were completely rearranged. In 1996 the Finnish Centre for Health Promotion (FCHP) was created as an umbrella organization for the NGO's in the public health and alcohol prevention field in Finland. Its objective has been to increase and improve the communication and co-operation between different NGO's and to "plan, develop, and co-ordinate the substance-abuse prevention efforts of various organisations and to work in co-operation with other quarters to educate the general public" (<http://www.health.fi>).

The FCHP also runs a forum for substance abuse prevention work, which could be described as a network of co-operation and communication involving different actors in the field of alcohol prevention. The forum's objective is to develop preventive alcohol policy activities, strengthen co-operation and networks in the field of alcohol policy, and actively debate different alcohol- and drug related policy topics.

As well as observing and developing the alcohol- and drug policy area the FCHP acts as consultant to various work groups in the field. In addition to this the FCHP prepares for the Ministry of Social Affairs and Health a plan about alcohol and drug programmes, which are implemented by NGO's in Finland. The Centre is also responsible for monitoring the implementation of these preventive programmes.

A more concrete task that the FCHP undertakes is organizing the Substance Abuse Prevention Week, which is held in October every year. The objective of the week is to raise awareness of current topics in the field of alcohol- and drug policy issues. The focus of the campaign is on the local level, but as the week is held at the same time in the whole country it also gets a wider national coverage. Another concrete event the FCHP organizes every year is the National Conference on Alcohol and Drug Prevention, which is aimed at professionals in the field of alcohol- and drug prevention. The two day long conference could be described as the most extensive training event in the prevention of substance abuse and treatment in Finland.

In addition to these annual events the Centre also takes part and initiates various alcohol- and drug prevention programmes and campaigns both on the national and the local level. The centre has for instance initiated a nation wide drug campaign which aimed at creating new forms of co-operation between various authorities and organisations. On the field of alcohol prevention the Centre has been a key figure in both the annually organized and nation wide *Traffic Sobriety Campaign* and *Water Safety Campaign*. Both campaigns aim at keeping alcohol out of motorised vehicles both on roads and water. The long term objective for both campaigns is to prevent driving/boating while intoxicated. Both campaigns target the general public as a whole and, in particular, high-risk

groups. A multitude of other NGO's as well as ministries, the police and other public sector agencies are also collaborating in the campaigns.

13. Summary

Finland belongs to the Nordic ECAS countries which fifty years ago had a comprehensive and strict alcohol control policy based on a state alcohol monopoly system. The Finnish State Alcohol Company was in many ways the most comprehensive in the Nordic countries. At the beginning of the 1950s it had monopolies on the production, import, export, wholesale and retail sale of alcoholic beverages. It was a part of the state alcohol administration giving restaurants licences to sell alcoholic beverages on the premises, controlling their actions and, if needed, also withdrawing the given licences. It also gave licences to private fruit wine and liqueur factories and breweries for producing beer over 2.8 per cent alcohol by volume. And it was just not licensing the beer production; the company also decided on the types of beers to be produced, stipulated their raw materials, controlled the quality of produced beers and even gave each brewery an own selling district, a kind of local monopoly. The company also conducted and financed both social and biomedical research on alcohol, publishing alcohol policy journals, taking care of the central alcohol library as well as producing alcohol education and information materials. The monopoly also decided on both off- and on-premise prices of alcoholic beverages as well as on the profit margins for licensed restaurants, breweries and fruit wine manufacturers.

The trend in the Finnish alcohol control during the last fifty years has been towards less and less official alcohol control. However, this trend has not been continuous. In certain periods after too great increases in total alcohol consumption or alcohol-related problems the control has also become stricter. The development towards better alcohol availability has not only taken the form of continuous small changes in alcohol control measures, but it also includes abrupt major changes like those brought by the 1968 and 1994 alcohol laws. The latest one included the abolition of state monopolies on alcohol production, import, export and wholesale. The 1994 Alcohol Act is also important insofar as it clearly shows how outside pressures have begun to more and more mould the Finnish alcohol control system. Thus far these outside pressures have mainly appeared because of the Finnish membership in the EU. With good grounds it can be argued that until the 1990s only domestic interests and factors were behind the changes in the Finnish alcohol control system.

Despite the developments to a more liberal alcohol control, the Finnish alcohol control system is still quite tight and comprehensive with a state monopoly on off-premise retail sale of almost all alcoholic beverages with an alcohol content over 4.7 per cent by volume and some beverages below it. It is however true that the state has during the last decades lost many possibilities for controlling the alcohol field, and will presumably lose more when travellers' alcohol import allowances will disappear in 2004 inside the EU area and when the EU will get new members, Estonia among them. These changes will most certainly put an end to the policy with very high alcohol excise duties. At the same time, however, new tools for controlling the total alcohol consumption and its adverse effects are sought.

Finland belongs also to those ECAS countries which have invested in alcohol research, and which therefore have produced much knowledge of the effects of different alcohol control measures on alcohol consumption and related problems. Implementing alcohol control measures is of course not just a question of free will. General societal trends and factors also affect the possibilities to put certain alcohol controls in force. We can therefore ask whether the alcohol control system in the 1950s would have been viable in the 1990s. The answer is most certainly negative. But despite this,

the Finnish experience clearly shows that giving up alcohol control measures leads to increases in alcohol consumption, and most likely, harsher alcohol controls lead to decreases in alcohol consumption and related problems.