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Anita Borch

The monopolisation of the Norwegian slot machine market

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The monopolisation of the Norwegian slot machine market

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2015

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Foreword

This report addresses the monopolisation of the Norwegian slot machine market, as told from stakeholders' point of view. The project is initiated by Pekka Sulkunen, professor at the University of Helsinki, and funded by Academy of Finland.

Thanks to Professor Pekka Sulkunen for involving SIFO in the project, to Michael Egerer for commenting on the report, and to all the actors that have spent time talking to me about their monopolization process and their role in it.

Oslo, June 2015

National Institute for Consumer Research (SIFO)

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Summary

In contrast to most of the European countries in the late 1990 and early 2000s, Norway monopolised the slot machine market in terms of making the 100% state-owned company, Norsk Tipping, to the only supplier of slot machines. Even though a lot of attention has been paid to the monopolisation at a European level, little is known about this process. To address this knowledge gap, this report will present the monopoly story as it has been told by different actors involved in the process: authorities, organisations, businesses, therapists, self-help groups, interest groups, researchers, and the press. The aim is to identify the factors influencing this process, both positively and negatively, and, as such, to reveal some of the structure of interests, knowledge and power that made the monopolisation possible. The research shows that the monopolisation of the Norwegian slot machine market is a story about a state and a company that know what they want—and take what they want, first of all by making use of the power that has been given to them through formal political channels, but also by making alliances with competent businesses and organisations working to combat a ‘shared enemy’: the private operators and the online businesses offering their games from abroad. Although many actors are worried about the development of the monopoly, they are positive about it insofar as it manages to keep the number of problem gamblers at a low level.

1 Introduction

In contrast to most of the European countries in the late 1990 and early 2000s, Norway monopolized the slot machine market in terms of making the 100% state-owned company, Norsk Tipping, to the only supplier of slot machines. Even though a lot of attention has been paid to the monopolisation at a European level, little is known about this process. To address this knowledge gap, this report will present the monopoly story as it has been told by different actors involved in the process: authorities, organisations, businesses, therapists, self-help groups, interest groups, researchers, and the press. Although the actors' stories address the same process, their focus and interpretation of this process are expected to vary according to the storytellers' experiences and contextual factors. Hence, a picture that covers the most important aspects of this process from different angles needs to be presented.

The objective of this study is to identify the main factors influencing the monopolisation process. The research questions are: What are the similarities and differences between these stories with regard to when the actors heard about the monopoly for the first time, how the monopoly was justified, what role their organisation played in the process, how they experienced the process, and what consequences did the process have for the representative organisations and for society at large.

A presentation of the actors' stories will not only show how stories may overlap and differ, but also, and more importantly, reveal the different interests, knowledge and power of the Norwegian gambling market. Revealing such structures is important to the extent that it succeeds in raising public awareness and discussion. If a structure of interests, knowledge and power can be justified morally and politically, it should continue. If it cannot, it should be changed.

This project is part of a research study led by Professor Pekka Sulkunen at the University of Helsinki that addresses European gambling policy. The project is conducted by researchers from Finland, Sweden, France, Italy and Norway, and aims at comparing the gambling policy of these countries, the causes and possible consequences. The project is funded by the Academy of Finland and runs from 2014 to 2016.

2 Methods

The sample comprises 13 representatives from different actors that were involved in the slot machine market from the late 1990s to the mid–2000s. These are shown in Table 1 below.

Table 1: The sample

| Name | Occupation and work place | Type of actor |
|----------------------------------|--|-------------------------------|
| Valgerd Svarstad Haugland | Politician of the Christian Democrats (KrF). Minister of Culture and Church Affairs, 2001–2005. | Political minister |
| Rolf Sims | Senior Legal Adviser, Ministry of Culture. Worked in the bureaucracy addressing gambling political questions for more than 20 years. | Bureaucrat |
| Atle Hamar | Director, Norwegian Gaming Authority | Governmental authority |
| Jan Peder Strømslid | EVP Strategy and Business Development, Norsk Tipping | State-owned gambling business |
| Inge Andersen | Secretary-General, the Norwegian Olympic and Paralympic Committee and Confederation of Sports (NIF) | Sports Association |
| Per Tøien | Head of Communication and PR, Norwegian Olympic and Paralympic Committee and Confederation of Sports | Sports association |
| Bernt Apeland | Former advisor, and later, communications and fundraising Director for the Norwegian Red Cross | Humanitarian organisation |
| Ottar Dalseth | President of Norges Automatbransjeforbund [slot machines operators' association] (NOAF) (2002–2007) | Private operator/association |
| Anita Fjærem | Worked at the Ministry of Justice until 2000 and started her own private business offering bingo some years later. She has also been a Board member of NOAF. | Private operator/association |
| Ingjerd Meen Lorvik | Senior adviser, specialist in clinical psychology, Borgestadklinikken and Head of the Norwegian | Treatment/interest group |

| | | |
|-------------------------|---|--------------------------------|
| | Association on Gambling and Gaming Problems (NFSP). | |
| Lill-Tove Bergmo | Head of Gambling Addiction Norway (Previously entitled Relatives of Gambling Addicts [PTS]). | Self-help group/interest group |
| Ingeborg Lund | Researcher at Statens Institutt for Rusmiddel-forskning (SIRUS) [The Norwegian Institute for Alcohol and Drug Research] | Researcher |
| Jon Inge Hansen | Journalist at <i>Verdes Gang</i> (VG) | Press |

As shown in Table 1, the sample comprises representatives from the government, the bureaucracy, national authorities, sports organisations, humanitarian organisations, private operators, local owners, therapists, self-help groups, interest groups, researchers, and the press. Most actors are only represented by one person. However, the Sports Association is represented with two because the first person I interviewed had not been part of the early phase of the monopolisation. I have also interviewed one further private operator known for his critical views on the process behind the monopolisation and its consequences.

Each informant was contacted via email or by telephone in January 2015. All participants were willing to take part in the interview. Five of the interviews were conducted face to face. The rest were conducted by telephone.

All interviewees were asked to tell their story as freely as possible, from the first time they heard about the monopoly to the time when the monopoly took effect, and its possible consequences. All interviews were tape-recorded and transcribed by the researcher. A summary was made of each interview and subsequently sent to the interviewees to be commented on and approved.

The summaries were structured under three headings:

- 1) When did you first hear about the monopolisation and how was it justified?
- 2) What role did you and your institution have in the process and how did you experience it?
- 3) What consequences did the process have for society and for your institution?

Most interviewees did not make any amendments to the summaries and were happy with the way in which their stories were presented. Some changes to the document were, however, made by a few. For ethical reasons, the inter-

viewees were told that their stories would be presented in a report together with all the other stories and that I would contact them if their stories were to be rewritten in any way. I also told them that their names and organisations would be used in the report, and that they could withdraw from the project at any time.

In the analysis, the interviewees' stories were coded into a template (see table 2), and discussed in a concluding section (section 5).

3 The monopoly stories

Valgerd Svarstad Haugland

Politician of the Christian Democrats (KrF). Minister of Culture and Church Affairs, 2001–2005.

1) *When did you first hear about the monopolisation and how was it justified?*

I first heard about problems related to slot machines when I was a minister in the Ministry of Children and Family Affairs from 1997 to 2000. Relatives contacted me and told me that their spouse or child had problems with these machines and that the family's situation worsened as the problems escalated. When I became the Minister of Culture and Church Affairs, for socio-political and strategic reasons Norsk Tipping examined the opportunity to establish a monopoly in the slot machine market. Other actors, such as the Secretary General of Redningsselskapet and the former minister of the Ministry of Culture and Church Affairs, Anne Enger Lahnstein, were also aware of this opportunity.

I met with a lot of resistance from organisations, private entrepreneurs, politicians, and even members of my own government. The more the gambling and gambling problems increased, the more strongly I believed in the case. I had strong support from the bureaucracy; they were with me all the way. I wanted the harmful machines prohibited and I worked really hard to achieve this goal. I have never been so stubborn in any political case I have worked on. The socio-political aspect of this case was the main reason why I started this process. The existing slot machine market had showed that a private slot machine market is hard to regulate. It was therefore important for us to sit behind the wheel. Norsk Tipping's new machines would be put into a digital system so we didn't need to go to each machine but could regulate them simultaneously.

If we wanted to change the market, all we needed to do was to push one button.

2) *What role did you and your institution play in the process and how did you experience it?*

In the government 'Bondevik 1' (1997–2000), Odd Einar Dørum, who was a minister in the Ministry of Justice, proceeded with a case in the parliament aimed at restricting the gambling policy in Norway, but this was turned down after heavy lobbying from humanitarian organisations like the Red Cross Norway, Save the Children Norway, and Redningssselskapet. Even the parties that were part of the government did not want Dørum's restrictions because they valued the voluntary sector so much and underestimated the problems of the slot machine market. Instead, we ended up with rules that liberalised the slot machine market, rules that made it possible to have machines which were so aggressive that they used to be placed in casinos in Las Vegas.

The gross turnover of the slot machines doubled several times and the gambling problems increased. I couldn't sit there and do nothing, so I had regular meetings with the organisations. In the beginning, the organisations did not want restrictions but after a while there were so many tragic problem gambling stories that it became unpleasant for them to make money out of people whose lives had been destroyed because of their slot machines.

The EU laws on gambling monopolies seemed clear, so, together with my colleagues from other countries, I started to lobby the EU for the opportunity to have an independent gambling policy in Norway. I travelled to Brussel on several occasions where I met our EEC ambassador and the EEC secretariat which, for the most part, comprised young, self-confident Nordic men in black suits who told me that it was totally unrealistic to monopolise the slot machine market. I also experienced resistance from the private operators' association, NOAF, which appealed the monopoly in Oslo Town Court. When we lost, we appealed the case to the Court of Appeal, where we won. In both cases I acted as a witness. The monopoly was also taken to the EFTA court and the Supreme Court, where we won, but that was after my period as minister.

After the Parliament had accepted the monopoly in 2003, it was in the court system to 2007. My period as a minister in the Ministry of Culture and Church Affairs came to an end in 2005, and Trond Giske (AP, the labor party) took over. In the meantime, the number of problem gamblers increased. During my period in office the gambling machines association, NOAF, came up

with several suggestions for ways in which the slot machine market could be regulated. However, we were not particularly interested in following these suggestions because our goal was to monopolise the market. The fact that a few years earlier, Odd Einar Dørum had tried to regulate the private slot machine market but failed, showed the difficulty in regulating this market. Exchanging the existing machines with new and less aggressive private machines would also be costly for the organisations and private operators which had invested in them as the new machines would have to be removed if the monopoly was put into effect. When the monopoly was passed in the Parliament, Norsk Tipping had bought new machines but could not put them on the market until—and if—the monopoly was accepted in the court system. If the state lost its case, Norsk Tipping would have spent a lot on machines that would never be used.

Rolf Sims

Senior Legal Adviser, Ministry of Culture. Worked in the bureaucracy addressing political issues related to gambling for more than 20 years.

1) When did you first hear about the monopolisation and how was it justified?

In 2002 the Norwegian government decided to propose a ban on slot machines run by private operators and to introduce a new gaming terminal regime within the state monopoly of Norsk Tipping. This was founded on socio-political reasons due to a substantial increase in problem gambling related to machine gaming since the turn of the millennium. The Government acknowledged that a total ban on slot machine style gaming would not work as people like to gamble, and this would result in a black market in Norway. Before the proposal and enactment in the Norwegian parliament (Stortinget), several attempts were made to regulate the market, without success. It is important to understand that the monopoly was the last, not the first, solution.

2) What role did you and your institution play in the process and how did you experience it?

According to the Lottery Act of 1939, there were two types of games: games of skills and games of chance. Due to technological developments in the 1980s and 1990s, games of skills became similar to aggressive forms of games of chance. The skill element became so subordinate that there was practically no difference between the two forms of games. In addition, existing rules were being contravened. For example, winnings in the form of tokens, were illegally exchanged for money rather than for new tokens.

In 1995, the parliament decided to erase the difference between games of skills and games of chance by defining both categories as slot machines. Whereas games of skills were only offered by private operators and humanitarian organisations, sports clubs and other organisations of public utility could receive a license for slot machines. But these could be run by private operators on behalf of the licensees.

Before the Norwegian Gaming Authority was established in 2001, licenses for running slot machines, bingo and private lotteries were issued by local police districts. Since there was no coordination between these districts, there was no control over the number of licensees. The private operators travelled around the country and offered their services to potential licensees: if the organisation applied for a license to the local police district, they could run the machines on their behalf. The number of licensees and machines increased and more aggressive machines were offered 'everywhere'—in groceries, kiosks, cafés and restaurants. In most of these places the 18 years-old age limit was difficult to uphold.

In 1998, the Ministry of Justice issued regulations entailing a change of the then existing slot machines with less harmful versions that were more suitable for so-called street operations within 1st April 2001. Since the machines were located in kiosks, restaurants, etc., the regulation stipulated a minimum draw time of 3 seconds, and a maximum stake and prize of NOK 5 and NOK 200, that is, NOK 1800 less than the maximum prize at that time. The regulation was opposed by the licensees and the private operators. At this point, most of the parliament's members were unfamiliar with the downside of the slot machine market. A law proposing the establishment of the Norwegian Gaming Board was sent back to the Ministry of Justice with an order that regulations on slot machines be amended to maintain the licensees' revenues from machines.

In response, we arranged several meetings with representatives from the licensees and private operators and drew up a consultation document which formed the basis for an amended regulation that was issued in October 2000. In retrospect, I can see that it was a peculiar process: to some extent, the parliament had accepted the proposal for the establishment of a gaming board but had refused to consider it until we had rules for slot machines which the licensees and operators could accept. We ended up with a set of rules that were nothing more than a codification of the practices that existed in the market—practices that were actually based on the licensees and private operators' evasion of previous rules.

Since the late 1990s, institutions treating alcohol and drug had increasingly been contacted by people having problems with slot machines.

In 2001, the Norwegian Gaming Authority had been established and it began to map the market. The licensees were now obliged to report their machines' gross turnover, and the reports documented a dramatic increase. The authority also supported several studies into gambling and gambling addiction, the first of which was published in March 2003. The research confirmed that the number of problem gamblers had increased.

In June 2002, a proposal suggesting that slot machines could only be installed in gaming arcades, was sent for public consultation but was rejected by all market participants. We therefore decided to go for a ban on slot machines and a new gaming terminal model. In this period, problem gambling was frequently debated in the press. The ethical focus increased, questioning the organisations and the private operators' right to profit on machines that create gambling addiction. According to the new model, organisations that had licenses for slot machines would receive revenues from the state monopoly to compensate for their financial loss when their slot machines were banned.

Those of us who had worked on the proposal underestimated the process required to pass the bill. We were of the opinion that there would be a battle to get this through the parliament but that there would be no problems in court. Instead it was passed in Parliament without any problems at all. Although Norsk Tipping's market share increased, the monopoly would mean a considerable decrease in the gaming offers on the market. From our point of view, the socio-political argument for banning slot machines and for creating a new market within a state monopoly, was crystal-clear. We were, therefore, surprised when the political decision ended up in the court system for many years after Parliament's decision.

The case was brought before the Norwegian courts and the European Surveillance Authority by the Norwegian slot machine association, NOAF, and one major private operator, Norsk Lotteridrift. A reasoned opinion from ESA, and a court ruling from the Oslo Town Court in October 2004, concluded that the ban and extension of monopoly was not compatible with EEA law. The ruling was appealed by the Norwegian Government in the Court of Appeal, which came to the opposite conclusion. Thereafter, ESA took the case to the EFTA court, which approved the Court of Appeal. NOAF appealed the ruling from the Court of Appeal to the Supreme Court, which also concluded that the ban and the extension of the monopoly was legal. On July 1st 2007, the ban came into force and all slot machines were removed from the market.

3) *What consequences did the process have for society and for your institution?*

What was special in Norway is that we closed down an entire industry with a turnover of NOK 28 billion and 1,000 jobs, which was quite unique in a European context, but necessary for socio-political reasons. It has attracted some attention that we were willing to go that far.

A monopoly model makes it easier to regulate and supervise the market. A market regulated through licensing, with more participants, would require public consultations to amend regulations—a process that can create disagreements and, therefore, be time consuming. Removing games that, for example, create problem gambling would, therefore, take more time. State ownership of Norsk Tipping allows for quicker amendments to regulations and the swift removal of games if necessary. Although Norsk Tipping will generate profit for the voluntary sector, the company has a stronger focus on the socio-political side of gambling which is well embedded in their organisation.

Today, Høyre (conservative party) and Frp (liberal party) are in a coalition government. Historically, the two parties have had different approaches to the regulation of gambling. Høyre has always supported a monopoly model whilst the more liberal FrP, have advocated a free market approach and a licensing system. In autumn 2014 gambling regulations were amended to allow for a Norwegian championship in poker, which has been a policy in the FrP for some time and is the result of a compromise between FrP and Høyre. Such a poker championship is not regarded as addictive because it takes place once a year, only one stake may be required, and it can take days before a winner is crowned.

Atle Hamar

Director of the Norwegian Gaming Authority

1) *When did you first hear about the monopolisation and how was it justified?*

We first heard about the monopoly from Norsk Tipping after they had discussed it with the Ministry for some time. If we had been informed through official channels, we would have heard about it from the Ministry of Culture and Church Affairs. When we were informed we had been working with a project aiming to develop an online control system for the existing slot machine market. This project was, of course, closed when the new model was

launched. It was Norsk Tipping that had initiated the monopoly. The slot machine market represented a big market and the company wanted to channel the money into the voluntary sector.

2) *What role did you and your institution play in the process and how did you experience it?*

Before Valgerd Svarstad Haugland decided to go for a monopoly, she offered the license owners the opportunity to restrict the existing slot machine market. However, the slot machine owners association, NOAF, would not accept the rules. They had not fully grasped how problematic their machines were. If NOAF had accepted the new restrictions, private operators would have had a decent income from this market today.

Big organisations like the Red Cross, Redningsvesenetsforbundet, and The Norwegian Olympic and Paralympic Committee and Confederation of Sports (NIF) accepted the monopoly because the state guaranteed that they would receive percentages of Norsk Tipping's profit at the same level of income as they had had from slot machines in 2001. In this way, those who had made the most profit on slot machines in 2001 received the most money from Norsk Tipping. Organisations that, for moral or principle reasons, had not offered slot machines, got nothing. This caused some debate.

The monopoly ended up in the court system for almost five years. During this period there was a great need for facts and documentation. An important task was, therefore, to feed the Ministry with knowledge about the slot machine market. To do that, we generated statistics and funded research. The first research project mapping gambling and gambling problems, was conducted by SIRUS and published in March 2003.

When the monopoly was accepted by EFTA and the national Court of Supreme, our task was to phase out the existing slot machine market. A lot of resources were used on information and market campaigns, as well as in writing letters to the license owners.

3) *What consequences did the process have for society and for your institution?*

The market was hard to control whilst the monopoly was in the court system. After the monopoly took effect, eight or nine of the authority's employees lost their jobs as the new machines were much easier to control. Norsk Tipping's machines are online and the only thing they have to do to change the ma-

chines' content and interface is to make a few clicks. Norsk Tipping's machines have universal rules for how much people can win or lose. This makes them relatively responsible.

Jan Peder Strømshid

EVP Strategy and Business development

1) When did you first hear about the monopolisation and how was it justified?

After the Second World War, Norsk Tipping was established to provide money for good causes by offering lotteries and sports betting. As such, Norsk Tipping has a tradition of running gambling monopolies. We started to work with the monopolisation of the slot machine market in 1998–1999 when the slot machine market was growing from being a small, regulated market, based on mechanical 'knipsekasser', into something bigger and more uncontrollable, based on another technology. The gross turnover of this new market increased significantly, which we regarded as alarming from a socio-political perspective. At that time, there was little or no research on gambling problems. Since we were among those who knew the gambling market best (the Norwegian Gaming Authority came later), politicians used to ask us for advice. We told the Ministry of Culture, which was responsible for the slot machines, about our concerns. The Ministry tried to introduce some restrictions. However, it turned out that the restrictions did not have the intended effects. Instead, the market started to grow even faster.

I do not know if Norsk Tipping initiated the monopoly on slot machines. Our mandate was to report if the development of the gambling market had negative socio-political consequences and to come up with suggestions for how the market could be regulated. That is what we did. We presented several alternatives, but as our mandate was to have a regulated and controlled market in Norway, this meant that the best solution was to establish a monopoly run by Norsk Tipping. Our suggestion had no economic motive. Norsk Tipping is a non-profit company. Our profit goes to good causes that are identified by parliament. There is no one in our company who will profit further if Norsk Tipping's turnover increases.

2) What role did you and your institution play in the process and how did you experience it?

When the monopoly proposal was passed, we initiated a programme designed to operationalise the removal of the existing slot machines and replace them

with our machines. We established a division and bought new generation machines (Multix machines). The opposition from the private operators was massive. There were about 120 operators, all with great economic interests. The operators' association, NOAF, complained about the monopoly to the Oslo Town Court, where they won the case. The Court of Appeal, EFTA and the Supreme Court were then involved and things started to take time. According to the Court of Appeal, we could not start removing the slot machines whilst the case was in the court system. We therefore had to put the programme on hold and could only watch the fact that the gambling problem related to slot machines radically increased. The socio-political aspect of gambling has always been a great concern in Norway. From that point of view, the situation looked really bad.

In my opinion, humanitarian organisations like the Red Cross and Rednings-selskapet made a very bad impression in the process. Even though ethically and morally they stood for very nice things, they were, in my opinion, very focused on money. For a very long time, they were reductant to accept that their machines caused gambling problems. Indeed, they ended up accepting the reform, but that was after some pressure. Nor did the private operators want to accept the monopoly, but that is easier to understand, taking into account that they are purely business-minded.

3) *What consequences did the process have for society and for your institution?*

It may be difficult to measure the socio-political effects of the monopoly due to the complexity of gambling addiction. However, there is no doubt that the problems decreased after the monopoly.

One general challenge for us is to balance our mandate of providing money for good causes on the one hand, and preventing gambling problems on the other. Throughout time, the point of balance has varied. Sometimes you feel that the money decides. Other times, the socio-political aspects are emphasised more. In addition, some politicians are stronger than others. For example, in my opinion, Valgerd Svarstad Haugland was a very strong politician. In general, we try to balance our two mandates regardless of political steering and noise level.

In the 1980s, Norsk Tipping was part of a liberation wave. We became more business-like in terms of offering more games and being more market oriented. This changed at the beginning of the 2000s as the socio-political dimension became more important because of the development of the slot machine

market. When the monopoly was accepted by the Supreme Court, we went through a tough period where we strongly felt the pressure to create a responsible system. During that period there was a lot of pressure from our department working to prevent problem gambling at Norsk Tipping. They were very critical and wanted us to change because they thought we were moving in the wrong direction. On the other hand, we had the Sports Association shouting loudly for money, for good reasons.

Compared to the regulation of private markets, monopolies have many advantages. If you regulate the market, you have a market situation where several actors compete. If you have a monopoly, there are several games offered, but there is no competition. We can decide. Other actors cannot use the laws of competition to counteract the government's regulation. We saw what happened when parliament agreed the monopoly: it ended up in the court system for almost five years. In Denmark, where they have a system of licensing, the government wanted to restrict the market but the license owners said that if they did, they would rather compete outside of the license system. It is this situation we wanted to avoid by establishing a monopoly. The problem with the monopoly is that it breaks with the principle of equal possibilities. Some actors will have access to the money, others will not. I still feel sorry for the organisations that did not receive money from us after the monopoly had been established. But that was a political decision.

Some of the games that we offer today look like the games that were banned in 2007. However, the difference is that our games are incorporated into a system. Previously, you could gamble for 10,000, 5,000, and use 200 bank notes. Nobody controlled when you gambled and how much you spent. In our system, you need a card and there are limits for how much you can spend in one day, one week and one month. You cannot gamble away your family and home without cheating the system. Today you can lose a maximum of NOK 4,000 per month.

In a world perspective, Norsk Tipping's system is unique. What we do is that we regulate gambling behaviour rather than games. The system registers if the gambler's behaviour changes, for example, if the gamblers' start chasing losses, and we inform the gamblers about this. That said, the behaviour-centred system has some challenges when it comes to personal security. The decision to initiate this responsible regime was our own. Other gambling businesses around the world thought we were crazy. However, some of them are copying us today.

Inge Andersen

Secretary-General, the Norwegian Olympic and Paralympic Committee and Confederation of Sports (NIF)

1) When did you first hear about the monopolisation and how was it justified?

I worked in Skeeing Norway from 1996 to 2001 and as a Secretary-General in the Sports Association from 2004. When I started as Secretary-General in 2004, it was well known that the existing slot machine regime caused many problems. It was during a period when I was absent from the sports sector, from 2001 to 2004, that most happened on the slot machine market. In 2002 the Sport Association's income from slot machines was NOK 416 000 000. The income for the following years was NOK 598 000 000, 671 000 000, and 714 000 000, and 618 000 000. Then the old slot machine regime was phased out.

2) What role did you and your institution play in the process and how did you experience it?

From 1999 to 2003 the Sports Association had, to a larger extent than the humanitarian organisations, realised the problems caused by slot machines, and was Valgerd Svarstad Haugland's greatest supporter in this case. We were one hundred per cent in favour of the monopoly. For us, this was a matter of values. Valgerd Svarstad Haugland arranged a lot of meetings and had a tough style for steering them. In my opinion, she is the champion of the monopoly. There was a high temperature in the meetings, which must be seen in the context that there were many actors outside of the voluntary sector who had made a lot of money from slot machines.

3) What consequences did the process have for society and for your institution?

Norsk Tipping was established in 1948. Since then it has been an important source of funding for the Sports Association. The gambling monopoly and the key to distribution has always been an important issue for the Sport Association and is one of the subjects that was given the most attention by the Association's Board during the period in which I was Secretary-General. Today, the Sports Association receives 64% of Norsk Tipping's profit. The money does not go via the state budget but via the Ministry of Culture. In our opinion, the current distribution model is a very predictable and sustainable model for the future.

Per Tøien

Head of Communication and PR, Norwegian Olympic and Paralympic Committee and Confederation of Sports

1) When did you first hear about the monopolisation and how was it justified?

I first heard about the monopoly when the Government, through the Minister of Culture, Valgerd Svarstad Haugland, raised the problematic aspects of the slot machines. Subjects for discussion were the monopoly of Norsk Tipping and the future compensation for the sport organisations due to the shortfall, which would be a short-term consequence of banning the slot machines in their present form. There was a discussion on how the organisation's income from the slot machine market should be compensated after the monopoly was established. We supported the monopoly because we saw how much trouble the slot machines caused. For us, we are not indifferent to where our money comes from. We also gave her our support because it was a big concern for us that the income from the slot machines was unequally distributed among our members. Valgerd Svarstad Haugland guaranteed that the organisations would receive the same income they had got from slot machines in 2001. It was a big internal discussion in the confederation about how the money should be distributed. Then the private operators slowed down the monopoly case in the court system.

2) What role did you and your institution play in the process and how did you experience it?

From 1995, voluntary organisations were at the disposal of private operators offering slot machines. The private operators searched for, and recruited organisations that wanted to share the profit with them. After a while, so much money was involved that the organisations ended up competing to be among those offering slot machines. At some point the Ministry of Culture and Church Affairs, therefore, decided that no more licenses should be issued. Consequently, some of our members received money and others did not. For example, Norwegian Skiing was the member that received most money, whereas the Hockey Association was too late to apply and got nothing. Hence, although the Sports Association received a lot of money from the slot machines, the money was unequally distributed between the members. For ethical and moral reasons, some of our members had refused to offer slot machines. It was important for us that the new model of distribution favoured these too. We justified this view by the fact that those who had received money from the slot machines had already received a great deal of money.

There were also other organisations in the voluntary sector that disliked the slot machines because of the unequal distribution. Views on the slot machines were split. Those who got money were positive about the slot machines, whereas those who did not get money were negative. Because of this disagreement it was important for the government to have support from big associations like ours. By giving our support we played an important role in the monopolisation process. Formally, they did not need support. However, it would make it easier to get the monopoly accepted.

3) *What consequences did the process have for society and for your institution?*

After the monopoly was established, a transition plan was implemented where some of the money that the organisations had lost was compensated through Norsk Tipping's fund. When Norsk Tipping was established, sports and research shared the surplus. Before 2000, there was a long period when the surplus was shared equally between sport, research and culture. It was then shared 50/50 between sports and culture, but relatively soon afterwards this was changed into the model where sport, culture and humanitarian organisations, the so-called 10H, shared the total. Today sport receives 64% of Norsk Tipping's profit. Culture and the 10H each receive 18%. Most of the money given for the purposes of sport is targeted at building sports facilities, the rest goes to the sports organisations, nationally, regionally and locally, for the promotion of sport, primarily for children and youth.

There has been a close cooperation between Norsk Tipping and the sport associations since Norsk Tipping was established in 1948. The money is not a subject for discussion in the parliament every year but is regulated by law and is a direct consequence of Norsk Tipping's profit. We experience the monopoly as a predictable solution that benefits all members, not just some.

In general, it was much easier for us after monopolisation. For us this was a logical solution—we have always advocated for the monopoly. From the point of view of the Annual General Meeting of Sport, it is better that the strictly regulated slot machines is part of Norsk Tipping's product portfolio, politically, economically and practically.

Bernt Apeland

Former advisor, and later, communications and fundraising Director for the Norwegian Red Cross

1) *When did you first hear about the monopolisation and how was it justified?*

I started to work at the Red Cross in 1994. There have always been problems related to gambling machines. Even 'knipsekassene' caused some minor problems and were a source of concern. During the 1990s, the problems seemed to escalate, but as there was not much research on the subject we could not be sure. In the late 1990s, the focus on gambling problems increased and after 2000 the issue started to become really demanding. As a starting point, we wanted to reform the market, that is, to return to the model that existed prior to 1995 in order to reduce the number of actors and, hence, lower the temperature of the market. After some time, we realised that this solution was not realistic, so we started to look for alternative models.

By the end of the 1990s, Reidar Nordby had stated that he thought Norsk Tipping should operate the slot machine market. This was a red rag for all the organisations offering slot machines but we in the Red Cross started to see it as a solution. Most preferably, we thought that Norsk Tipping could run our machines, or, alternatively, that they could take over the market. In 2002 we contacted Norsk Tipping to discuss the solution. We hoped for the first alternative but knew that this would be difficult. I guess Norsk Tipping, at that time, was already in dialogue with its owner about how the situation could be resolved. After the meeting, Norsk Tipping established a working group tasked with looking for solutions. The process ended with the parliament's resolution in 2003.

2) *What role did you and your institution play in the process and how did you experience it?*

In 1994, Stortinget opened the slot machine market for all organisations of public utility and allowed private entrepreneurs to continue operating the machines. Originally, the proposed bill reserved the market for national, humanitarian organisations operating their own machines. The private operators and the organisations (especially the Sports Association) who benefitted from their machines, were the driving forces behind the last minute change.

As a result, the number of machines exploded. New machines were developed that were so effective we could decrease the number of slot machines and still dramatically increase our income. Previously, you had 'knipsekassene'. All these machines had to be replaced with machines that were based on the random principle and, as a result, you got Las Vegas machines on every corner.

The Red Cross offered slot machines to provide income for our humanitarian work. Now we found ourselves in a new situation where we had to compete with private actors who had commercial interests. At the same time, the market grew and our income from slot machines increased dramatically.

With the growing market, the gambling problems increased, and the Red Cross was seen as the bad guy because, traditionally, we had been the biggest actor in this market. Many also expected us to have a different moral approach to other actors in the market. I remember that as quite unfair. It was the other organisations that had brought the private operators in and heated up the market, but the Red Cross got most of the blame. The biggest actor in the market was Norsk Lotteridrift and, for the most part, the media was not interested in them.

With the increased focus on gambling problems, we became more concerned about how we should respond to this. After a long discussion that took place within the organisation, as far as I remember, between January and April, 2002, we concluded that, on the one hand, we no longer wanted to be part of this development but, on the other hand, we did not see a withdrawal from the market as a solution. The conclusion was to work for a reform of the market that included all actors.

In my opinion, the Red Cross played an important role in the monopolisation process. The monopolisation would probably have happened without our help but at a much later stage and with far more trouble for the government. We were able to build a strong alliance among ten humanitarian organisations. We made the job easier both for the Ministry and the parliament. We were an alliance of good forces—politicians, bureaucrats, the Sports Association, and humanitarian organisations. Our intention was not to combat the private operators but to ‘tidy’ up the market. Indeed, the Red Cross may be criticised for accepting the monopoly too late, but there were some strong voices in the organisation that did not want to let the Sports Association and Norsk Tipping encroach on our most important source of income.

3) *What consequences did the process have for society and for your institution?*

After the monopoly was operational, the Red Cross received NOK 216 000 000 annually of Norsk Tipping’s profit to compensate for our loss. This was, of course, much less than the slot machines had given us. In the best year, 2006, the Red Cross’s income from slot machines had been more than NOK 800 000 000. We were, however, happy with the changes that had been made. The problems in the market had to be tackled. The Red Cross was wise and put the extra income that they had gathered from slot machines in 2002, 2003, 2004, 2005 and 2006 into a fund. The thinking was that a percentage of the fund each year could be used to fund the organisation. At the outset, this amount was about NOK 100 000 000 a year.

I think that the monopoly has been a good thing for organisations in Norway. A criticism could be that the model should be opened up to more organisations so that they could also receive money from Norsk Tipping. Today, only national organisations are part of the agreement, whereas international organisations, such as Greenpeace, Amnesty and Unicef are not. As long as some are inside and some are outside of the agreement, there will always be tension in this market. At some point, the compensation model will be changed into a permanent solution. The Red Cross will continue to be one of the main recipients.

Just recently, the government has opened up so that international organisations like Unicef can receive revenue from lotteries but not from Norsk Tipping's portfolio. In my opinion, this is a second best solution. It is good that international organisations can also receive revenue from lotteries but I think that if you want to create solid, long-term solutions for this market, all organisations should be part of the monopoly.

The fact that there is an EFTA judgment on the monopolisation of the slot machine market, makes the current system difficult to change. For instance, Norway has less freedom to change the system than Sweden. Every step Norway takes will be followed up by ESA. Every change Norway suggests will be judged in light of the EFTA judgment. If Norway does something that breaks with the justification for the monopoly, the monopoly is threatened. That said, the EU seems to have moved in Norway's direction. In the EU, gambling was more an economic and juridical issue. In Norway, it has always been political. In recent years, it seems, gambling has become more political in the EU as well.

Ottar Dalseth

President of NOAF (Norwegian slot machine association) from 2002 to 2007.

1) When did you first hear about the monopolisation and how was it justified?

The first time I heard about the monopoly was in 1993–1994 when it was suggested that the Red Cross should have the monopoly on slot machines in Norway. How far this suggestion came from the political system, I do not know.

The official intention behind the monopoly is to protect the population against gambling problems. However, according to Einar Bull, who was the president of ESA from 2002 to 2006, Valgerd Svarstad Haugland told him, in his office

in 2005, that she did not want to regulate the existing market because she wanted the state to have the money and to control the market. It was more important for her to get rid of the private market than it was to protect the Norwegian population.

The brain behind the monopoly was Norsk Tipping. Already, on 5 March 1998, it was written in the liberal newspaper, *Dagens Næringsliv*, that Norsk Tipping's Board had decided to start offering slot machines. Indeed, the company disclaimed this decision afterwards but it was actually working behind the scenes preparing the whole process which ended with the parliament's resolution to monopolise the slot machine market in 2003.

2) *What role did you and your institution play in the process and how did you experience it?*

My heart has always burned for voluntary organisations. As early as 1973, I gave a large amount of money, earned on slot machines, to voluntary organisations in my home town. In 1994 I was politically engaged in the slot machine market because I wanted the parliament to pass a law that made it possible to transfer money to smaller societies and clubs. The law was passed on 24 February 1995. It was decided that from January 1997 all slot machines should have a humanitarian organisation or an organisation of public utility as licensees. Their income from slot machines should be about 35 per cent of the profit. The rest was given to machine owners, operators and locality owners.

In 1998, the government made an attempt to restrict the slot machine market and organisations, such as the Red Cross and Redningsselskapet, started to lobby the parliament. In 2000, the slot machine market was opened for the liberal type of slot machines and the market escalated. The private operators became scapegoats, even though NOAF had been against the liberalisation because we were afraid that it would cause trouble and personal tragedies. The story that was told was that the private operators were a highly cynical business group that were hard to control, for example, that they broke the rules in order to increase their profit at the expense of problem gamblers. However, as long as I was president of NOAF, there were no irregularities among our members. Nobody was reprimanded.

When one wave comes, there are more waves coming; a growth in one segment causes a growth in others, so when the Red Cross and Redningsselskapet started to liberalise their machines we could do nothing other than to liberalise our own. Many organisations refused to be part of this development and closed down their businesses. Personally, I shut down my business in 1998.

Yet in 2001, when the liberal Bondevik 2 comprising Høyre and KrF formed the government, I started as an operator again. Valgerd Svarstad Haugland said that she would get rid of the private element in the slot machine market. I thought that this was too bad, thinking about the many organisations that would have their income reduced. From my point of view, the organisations of public utility in Norway flourished at a grassroot level because of the increased income. Indeed, some got more money than others but, as far as I could see, they all spent their money well.

In spring 2002 I was also elected to be head of NOAF and in July the same year, the government proposed that the slot machine market should be regulated. NOAF did not disagree but said that we needed more knowledge about the negative aspects of the market before we would start regulating it. We therefore suggested that the government should await the regulation until the first research on slot machine problems in Norway was published in March 2003.

To our surprise, the government came up with a new proposition a few months later, suggesting that Norsk Tipping took over the slot machine market. So, the first proposition about regulating the market was actually a false play directed by the bureaucracy, Norsk Tipping and the Ministry. The proposal was constructed to make us reject it, so when we swallowed the bait and did not give our immediate approval the government chose to interpret our answer as a 'no' and, thereby, had the excuse it needed to suggest a monopoly in October 2002. In retrospect, we heard that the Red Cross and Rednings-selskapet had been at meetings with the Ministry where they were guaranteed money from Norsk Tipping's surplus if they accepted the monopoly. In general, policy-makers are afraid of doing something that the big organisations, like the Sports Association, do not like. Valgerd Svarstad Haugland, therefore, needed support from the humanitarian organisations and the organisations of public utility to have the proposition passed in parliament. We felt betrayed. We had invested a lot of money in slot machines in order to provide money for good causes. Now the same government banned our business because we, as they chose to see it, did not want to be regulated.

After the monopoly was passed we came up with a lot of suggestions about alternative ways of regulating the slot machine market. For example, the suggestion about prohibiting bank note acceptors originally came from NOAF in 2003. But the government wouldn't listen. Instead they arranged a well-directed smear campaign against the private part of the market where they claimed, amongst other things, that we had significantly increased the number

of slot machines in order to ‘milk’ the market. The truth is that we reduced the number of slot machines from 12,000 to 1,900 after the monopoly was passed. In our opinion, the monopoly broke with the rules of EEA agreement. We therefore traveled to ESA in Brussels to tell them about the challenges we were facing. ESA listened carefully but it was only when Valgerd Svarstad Haugland said that she wanted the state to have the money and the control of the slot machine market, that ESA complained to EFTA about the decision. At the same time, we had complained about the case to the Oslo Town Court, where we won. The government then appealed the case to the Court of Appeal where the monopoly was approved. EFTA also accepted the monopoly because it was justified by the need to protect the population against gambling problems.

The monopoly was in the court system for more than four years. Even though the gambling problems increased dramatically in this period, Valgerd Svarstad Haugland did nothing to protect the population. She was obviously more concerned not to decrease her chance of winning the court system than she was about the issue of problem gamblers. Our members were accused of offering harmful slot machines. However, they did not break any laws. If the laws had been restricted they would have abided by the new regulations.

In 2006 the bank note acceptor ban was passed, but this was after Valgerd Svarstad Haugland had withdrawn from her position as Minister and Trond Giske (AP, labour party) had taken over. After the bank note acceptor ban was put into effect, the number of problem gambler sank like a stone. The number of problem gamblers continued at a low level, which shows that the monopoly was not necessary. Stronger regulation of the existing market would have been enough.

3) *What consequences did the process have for society and for your institution?*

In our opinion, the private operators stopped foreign gambling businesses from acquiring a market in Norway. If Norsk Tipping wants to retain its image as protector, we argued that they could not offer games that competed with foreign gambling businesses. As Norsk Tipping’s games were not competitive, people would start gambling on foreign sites. And when people first get a habit, they are hard to turn around.

We were right. Today, Norwegians spend NOK 15–20 billion on foreign gambling sites. The number of problem gamblers has increased. According to EFTA, Norsk Tipping’s games should not be easily accessible in public spac-

es, they should not have sound and light, they should not be advertised, and they should not be possible to play without Norsk Tipping's card. Today, Norsk Tipping offers many of the same games that we offered, they have sound and light, you don't need a card but can play them on cell phones, and the games are advertised on the machine and on boards hanging on walls in rooms next door to the machines. In general, Norsk Tipping's commercials are present everywhere in public spaces and in media—on TV, on the internet, social media, and cell phones. In addition, Norsk Tipping represent a national business for newcomers recruiting people to foreign competitors. EFTA's main arguments for accepting a monopoly were that it should reduce gambling problems, increase the control of the circulation of money, and provide revenue for the voluntary sector. None of this has been realised. Norwegians spend NOK 15–20 billion on foreign gambling services. The queue for getting money from Norsk Tipping' has increased and Norsk Tipping's profit is lower than previously supposed. How EFTA believed that Norsk Tipping should be able to increase the revenue and at the same time make the games less competitive and reduce their marketing budget, is a mystery, but they did.

Let it be clear, I do not defend everything that happened in the old slot machine market. What I defend is the right of private actors' to run gambling services for organisations of the voluntary sector based on proper and fair rules. If our suggestions about how the market could be regulated had been approved, the number of problem gamblers would have been at the same level as today. If you think that private gambling services are bad, then state-owned gambling services are really bad. The government and Norsk Tipping do everything they can to hide things that may hurt Norsk Tipping's reputation. When the monopoly was in the court system, we had to go to the Civil Ombudsman to get critical reports about Norsk Tipping because Trond Giske had classified them as confidential. Also, Norsk Tipping is one of very few state-owned companies that are excluded from Offentlighetsloven (the Law of Publicity). Why is that?

Anita Fjærem

Worked at the Ministry of Justice until 2000 and started her own private business offering bingo some years later. She has also been a Board member of NOAF.

1) When did you first hear about the monopolisation and how was it justified?

In 1997 some colleagues at the Ministry of Justice and I were invited by Norsk Tipping on an educational trip to Canada. Norsk Tipping showed great

interest in this market. Even though the monopoly was not an issue during this trip, it cannot be ruled out that they invited us because they wanted us to be familiar with the idea of a slot machine monopoly and to run the same monopolisation process as they had done in Canada. However, the Ministry of Justice did not want to monopolise the market but to regulate it. It also wanted the slot machines to be a source of income for humanitarian organisations and to establish a gaming authority to administer the gambling market. Up to that time, licenses had been issued by local police departments which had limited competence in this area. The old, mechanical ‘knipsekassene’ were gone and more technologically advanced machines were offered. The control of the drawing was incomplete. For example, it was proven that some of the slot machines had serial winnings. The different games went in circles and enabled gamblers to predict big winnings. Of course, this stimulated the gamblers enormously.

In 1998–99 a proposal was made aimed at restricting the slot machine market. Amongst other things, it was suggested that the machines should be less accessible and less aggressive. However, after intense lobbying from the humanitarian organisations and the private operators, the proposal was returned to the Ministry of Justice and a new position was taken. According to this, slot machines could still be placed in kiosks and restaurants.

When the Norwegian Gaming Authority was established it suggested creating a working group in cooperation with the gambling industry that would look at online solutions for the supervision of gamblers. The gambling industry was positive about the changes as they wanted to get rid of the ‘cowboy-image’ they had been given by the press. The suggestion was, of course, withdrawn when it was known that Valgerd Svarstad Haugland had sent the monopoly proposal out for comment. This was the first time I heard about the monopoly. The Minister had sent another proposal out for comment a little bit earlier that had suggested restricting the existing market. The new proposal, therefore, came as a surprise. When the gambling industry didn’t approve the first proposal, Valgerd Svarstad Haugland said that she had decided to go for a monopoly instead, in part because she wanted to avoid conflict with the organisations and private operators offering slot machines, in part because it took a longer time to reform a private, rather than a state market.

The monopoly model and the compensation solution were suggested by Norsk Tipping following a request from the Ministry. The Red Cross, Rednings-selskapet and other members of the 10H supported the agreement. The parliament passed the monopoly in 2003. The monopoly was justified by the concern for the problem gamblers.

2) *What role did you and your institution play in the process and how did you experience it?*

NOAF did the best it could to stop the monopoly taking effect; first of all because a whole industry would be shut down. Monopolising the market would also mean that money was transferred from the private market to the state, which would reduce the income of voluntary organisations. Indeed, organisations which had offered slot machines in 2001 were guaranteed money from Norsk Tipping at the same level they had received in 2001. Organisations which had not been part of the market at this point were not given anything. On top of this, the 10H was guaranteed a certain share of the Norsk Tipping's surplus. The fact that those who had made most money on the slot machine market would get most money from Norsk Tipping was pretty unfair and was the result of intense lobbying from the humanitarian organisations and the organisations of public utility. Anne Enger Lahnstein had gone directly from being the Minister for the Ministry of Culture and Church Affairs to being Secretary-General of Redningsselskapet. The increasing concern about gambling problems had damaged the organisation's reputation, so she wanted the ten biggest organisations to be guaranteed money. It was real horse-trading.

NOAF also took the case to the Oslo Town Court on behalf of the gambling industry. We thought that we had a good case. If the state's concern for the problem gamblers could be handled using means other than a monopoly, the state would not have the right to introduce a monopoly.

3) *What consequences did the process have for society and for your institution?*

We had a private market and a state market. The private market comprised the slot machines, bingo halls and a great number of national lotteries that the organisations could arrange themselves. The money was important because it was not ear-marked like the money coming from Norsk Tipping often is. Over the years, Norsk Tipping has expanded and constantly taken market shares from the private market. They have systematically taken part of the scratch card market (Flax), the national lotteries, lotteries that are drawn in advance, and, lastly, the bingo market. They are also the only one that is allowed to offer gambling via the internet, iPad and cell phones in Norway.

Let me give an example from my own market, bingo. When the monopoly was implemented in 2007, there was some discussion about whether or not

bingo machines should be included in the monopoly. In the first round they were not included, but in 2010 they were replaced by Norsk Tipping's Belago. In 2007 the slot machines had been replaced by Norsk Tipping's Multix, now it was the bingo machines' turn. Belago is tougher than Multix. For example, Belago's top winning is NOK 50,000, which is much higher than the top winnings of the old slot machines used to be. In addition, the drawing of Belago takes three seconds and it has several bonus games. In fact, one of Belagos' games is identical to one of the games offered in the old slot machine market. All of a sudden this game was allowed just because it was offered by Norsk Tipping.

There is no doubt that the monopoly has reduced the number of problem gamblers, mainly because the machines are no longer accessible in groceries, kiosks, and restaurants. I have always thought that slot machines should not be easily accessible for people under 18 years of age, and that the machines should be placed in gambling arcades or similar. In fact, since 2007, the bingo industry initiated several restrictions. Players had to be 18 years or older to enter our bingo halls. To play, they had to go to the counter of the bingo hall to get a code to log onto the machines. There was a limit on how much money the players could spend and they could only play for NKR 200. We removed the machines' bank note acceptors as well as the autoplay function so that the players needed to physically push the button for each game. We asked the government to make a proposal where these rules were suggested because, to get a competitive advantage in a market with many actors, there will always be someone who does not follow the rules set by the industry itself. However, the authorities did not want to do that. Instead they banned our bingo machines in 2010 and introduced Belago in 2011. Now the bingo halls offered two types of games: data bingo and Belago. Data bingo was offered by private local owners, Belago was offered by Norsk Tipping. The local owners got 45–50, and 35 per cent of these games, respectively. In contrast to slot machines, data bingo is not a one-to-one game but a game where many players take part in each drawing, which makes it a very slow game. To totally kill the game, the government decided, along with other restrictions on this game, that there should be a 30-second break between each drawing. Needless to say, the turnover of data bingo decreased immediately. In my opinion, the government's restriction on data bingo and the resulting decrease in the games' turnover, was a planned action aimed at moving the turnover from private local owners to the Belago machines operated by Norsk Tipping. For the bingo industry, the consequences have been dramatic. Because of the decreased turnover related to data bingo, local owners have been dependent on Norsk Tipping's machines. We are not obliged to offer Belago, but need to do so in order to

survive. We are put in a catch 22 situation. These days, many bingo halls are closing down their business. It is too hard to get it work.

In my opinion, the monopoly was not necessary. The concern for the voluntary organisations could have been handled without a monopoly, that is, through regulation. Today, the state's gambling regulation is mainly characterised by convenience. The rules for Multix and Belago are made by the gaming authority. The rules of the games offered on the market are not subject to public hearings and are withheld from public debate. For example, when Norsk Tipping launched 60 new online games last year, the public debate was absent. Through public hearings, the state would have acquired views, for example, about the game's consequences for gamblers. Instead, everything is supposed to be so smooth, so friction free, not least for the government. The state's main argument for making and keeping the monopoly is that the only thing they need to do to control the gambling market is to snap their fingers. However, we have seen, for a long time, that the state resisted setting an age limit on harmful games such as Oddsens. When it finally did, the gambling industry had set age limits on their bingo machines years earlier. Everybody seems to swallow the state's arguments—politicians, therapists, researchers, the population. We are told that people need a card to gamble and that you cannot gamble more than NOK 800 a day and 4,000 a month. However, people can use cards registered to other people, for example, other family members. This is what is usually done. If I can open my iPhone by using my finger print, why not use such technology instead? Norsk Tipping's Multix machines are connected through a centrally-driven online mechanism. Private machines could be supervised through an online system driven by the authority, just as the authority had suggested doing before the government decided to go for a monopoly.

The lottery market, comprising private lotteries, slot machines, bazaars and bingo, used to be under the responsibility of the Ministry of Justice. However, in 2001 this responsibility was moved from the Ministry of Justice to the Ministry of Culture and Church Affairs. The Ministry of Culture and Church Affairs thereby got a dual role as owner and regulator of the lottery market. It is, however, incompetent when it comes to handling cases related to the private lottery market because the games are in direct competition with Norsk Tipping's lotteries. The Ministry of Culture's budget is, to a large extent, determined by Norsk Tipping. Norsk Tipping is used as an adviser. For example, the gambling authority was unaware of the proposal for the monopoly before it was sent out for comment, which is quite peculiar, taking into account that the gaming authority is meant to be the Ministry's closest adviser in gambling-related questions. Norsk Tipping is not a regulator. It is a gambling operator.

Ingjerd Meen Lorvik

Senior adviser, specialist in clinical psychology, Borgestadklinikken and Head of the Norwegian Association on Gambling and Gaming Problems (NFSP).

1. When did you first hear about the monopolisation and how was it justified?

Borgerstadklinikken started to offer group therapy for problem gamblers in 2001. In 2006 I heard about the monopoly for the first time. NFSP was invited to participate in a dialogue meeting arranged by Norsk Tipping and we discussed the loss-limit of the new machines that were to replace the old ones. Norsk Tipping suggested that the loss-limit should be 2,200 per month, which we found too high. On the one hand, Norsk Tipping has its own department aimed at preventing gambling problems. On the other hand, the company aims to provide money for the voluntary sector. Responsibility versus money is its dilemma. So far, the aim of providing money is given priority, mainly because the Sports Association constantly, and without any apparent constraints, shout for more money.

2. What role did you and your institution play in the process and how did you experience it?

Although NFSP was not directly involved in the monopolisation process, it contributed in different ways. We made a documentary, funded by the Norwegian Directorate of Health. Hans Olav Fekjær and other members of NFSP were also active in the press, informing the public about gambling problems and their consequences. Moreover, we gave a prize to one of the journalists, Jon-Inge Hansen (VG), who wrote a number of articles on problem gambling and its consequences for society. He also told individual stories about gambling addiction, which is essential for the understanding of this public health problem. In addition, we regularly present our view on gambling-related issues at Norsk Tipping's dialogue meetings.

3. What consequences did the process have for society and for your institution?

I am very positive about the monopoly and want it to continue, but critical of its development. Huge pressure is, today, placed on Norsk Tipping when it comes to recruiting young, online gamblers. Since this is a group of people that, through my work, I intend to prevent from excessive gambling, I think it

is a shame that NFSP is funded by money from Norsk Tipping via the gaming authority. I would prefer that we received our money through the state budget. Because of the pressure from the Sports Association, since the monopoly took effect Norsk Tipping has stretched the limits of what they can offer to the market. Consequently, we are in a situation where the end justifies the means. Norsk Tipping has always tried to distinguish itself from foreign gambling businesses. In 2014, Norsk Tipping launched 60 new online games that are competitive—and, hence, as aggressive—as games from foreign providers. Recently, it has also launched a new game called Nabolaget [The Neighborhood], where the drawings are broadcasted on TV2 in prime time, Fridays between 19.30 and 20.00, and where people who win get personal greetings from Norsk Tipping on sms, even for the smallest prizes. Norsk Tipping is also among the companies in Norway with the highest marketing budget. Research shows that gambling advertising stimulates gambling and gambling problems. In addition, Norsk Tipping has increased the loss-limit of their games and people are now allowed to gamble until 03.00 (rather than 00.00) in the night. Usually, Norsk Tipping listens to us, but does as it pleases anyway (laughter). That said, Norsk Tipping sometimes does more than listen. For instance, some years ago, after massive protests from us, the company shelved its plan to establish a gambling den with a lot of slot machines and alcohol services.

My relationship with Norsk Tipping is ambivalent. I am still invited to dialogue meetings but it is dilemma whether or not I should go to these meetings because I want my association to be independent and I want to be free to give critical comments in public when it's necessary. Even though we are friendly at a personal level, and even though we share a common enemy—the foreign providers offering online games, I do not want to forget that Norsk Tipping stretches the limits for the voluntary sector on the backs of problem gamblers. I am also invited to Norsk Tipping's annual meeting and sports gala. I have always attended the annual meeting because of the networking opportunities and there are always a lot of interesting presentations there. I have, however, never been to the sports gala because it's just for pleasure and because of the Sports Association's unreserved shouting for more money. It should, however, be noted that there are organisations representing the interests of problem gamblers which have not placed the same restrictions on themselves. They have been to the sports gala and have also recently been involved in a joint action with Norsk Tipping and the Sports Association aiming to counteract foreign online games.

Lill-Tove Bergmo

Head of Gambling Addiction Norway (Previously entitled Relatives of Gambling Addicts [PTS]).

1) When did you first hear about the monopolisation and how was it justified?

I became engaged in gambling-related issues in 2002 when I discovered that my husband had problems related to slot machines. Pretty soon afterwards, I heard about the Norwegian State's plan to remove the slot machines. At that point, 27,000 machines were spread around the country.

From 2005, the monopoly was increasingly presented as one of many models that could replace the existing system. However, what our organisation worked for during this period was a total ban on slot machines in Norway. In 2007 we were informed that the monopoly would take effect. I like to believe that the monopoly was primarily passed for reasons of prevention and harm reduction, although I do see that there might have been some economic motives as well. Gambling is big business and the state wanted to raise money for the voluntary sector.

2) What role did you and your institution play in the process and how did you experience it?

In the municipality of Lyngen, where I live, we managed to have the slot machines removed from the market in 2004. In 2005 I engaged politically to influence other municipalities to do the same. At that time gambling problems related to slot machines were a relatively new phenomenon in Norway. After the slot machines had been launched in 1995, it took some time before the problems started to appear. When my husband was treated in 2000, there was only Hans Olav Fekjær and a few other people who knew about the problems. Gambling problems were something that belonged to Las Vegas; something you watched in movies.

It was this situation of incompetence and ignorance that we needed to change. More and more problem gamblers told their stories in the press. Researchers presented statistics confirming the problems. Big, powerful organisation resisted change. A representative from Redningsselskapet came to my door one day telling me that if we took their income away they could not save people in distress. In a TV-debate, the politician, Trond Giske, said that he would like to

send me his regards from the Norwegian Cancer Society and tell me that a slot machine ban would have catastrophic consequences for the organisation. Just like the Sports Association prefers showing picture of children and recreational sports rather than elite sports when they beg for money, the organisations appealed to our concern for their members. Vulnerable groups were highlighted and compared. This was the rhetoric at that time.

But we knew that we were right. When we managed to make Lyngen slot machine free, we also managed to raise a grassroots movement against the system. In 2006, there was an enormous focus on slot machines in Norway. Cities and regions competed to be the first to pass a total ban on slot machines. More and more people were engaged in this process. Members of the organisations offering slot machines could not sleep at night because they knew that their machines damaged families. We had managed to reach into their hearts. The hearts of the private operators were, however, closed. They were sour many years afterwards.

Parallel to this process, politicians at the national level worked to establish the monopoly. Although we did not work for a monopoly we contributed to this process by establishing a social movement against slot machines. Because of this movement politicians were forced to act. If it had not been the monopoly it would have been something else. The biggest organisations got money from Norsk Tipping to compensate for their loss. It is not common to provide compensation when the income has caused so much harm, but I guess it was given to calm the organisations down.

3) *What consequences did the process have for society and for your institution?*

When the monopoly took effect we were very positive and excited. There had been some critical voices arguing that people would start gambling in other places, but we didn't quite believe that the situation would remain unchanged after the slot machines were gone. Norsk Tipping kept us well informed about the regulation of the new machines and, at first, after the monopoly took effect, the number of problem gamblers calling us dropped. People who had problems between 2002 and 2007 told us that they had been given a new life. The number of people contacting us continued decreasing until 2010. Then it started to increase again but at a much lower level than it used to be.

One challenge today is that gambling businesses, like Norgesautomaten, offer copies of the slot machines online. We have very few people contacting us because of Norsk Tipping's games. Even though the number of people con-

tacting us is increasing, I would claim that the monopoly was necessary. Another challenge today is that we have a government that does nothing to stop the illegal games that are offered and the advertising of these games. A third challenge is the distribution of money through the grassroots share. In recent years almost any organisation could get money, including chess clubs travelling to southern Europe to drink and party. As far as I know, the gambling authority has started to get these things under control. We have not seen the consequences of Norsk Tipping's online games yet. They were launched in January 2014. We have some people contacting us because of Norsk Tipping's games but these calls are, for the most part, dealing with sports' betting (Oddsen and Tipping).

In the old system almost anybody who applied for a license got one. Compared to that, the monopoly system is easier to regulate as you only have to relate to one provider instead of many. Overall, we are satisfied with the monopoly. Indeed, there are things that could be improved but if we have to have slot machines, we think that the monopoly is the best solution.

Ingeborg Lund

Researcher at the Norwegian Institute for Alcohol and Drug Research (SIRUS)

1) When did you first hear about the monopolisation and how was it justified?

In 2002–2003 SIRUS was funded by the Norwegian Gaming Authority to conduct research aimed at mapping gambling and gambling problems in Norway. The research project included a resource group comprising representatives from the different actors involved in the gambling market. Except for the authority and us, these were the Ministry of Church and Culture Affairs, Norsk Rikstoto (public operator, horse betting), Norsk Tipping, Svenske Spelinstituttet (Swedish, public operator), 10H (10 humanitarian organisations), The Norwegian Children and Youth Council, Redningssekskapet, Blue Cross, NFSP, Gamblers Anonymous, and Norsk Lotteridrift (private operator). We did not talk about the monopoly in the meetings. There was, however, some talk about it during the breaks so I guess that it was during one of these breaks that I heard about the monopoly for the first time.

2) What role did you and your institution play in the process and how did you experience it?

There was a great need for more knowledge before the report came. People who did not want to remove the slot machines used the knowledge gap as an argument against regulation or monopolisation. When our report came out, the case for those who did not want to remove the slot machines weakened whereas the case of those who wanted to restrict or monopolise the market strengthen.

The report concluded that the slot machine might be habitual. The private operators would not accept these conclusions and fought hard to convince us that we were wrong. When we presented the research results at a seminar, representatives from Norsk Lotteridrift stood up from their chairs and argued that slot machines were no more harmful than Lotto, taking into account the number of people playing Lotto and that the slot machine market, therefore, should be regulated rather than monopolised. Of course, their argument was self-contradictory. Indeed, many people play Lotto, but not that much. The private operators had all their income from slot machines. If the market was monopolised, they would lose their income.

Probably in order to lobby us, Norsk Lotteridrift visited SIRUS some months later where they basically repeated what they had said at the seminar. The company also arranged a seminar where some of the most internationally recognised researchers in the field of gambling studies took part. Two of them were invited to make a critical review of our report. Of course, they found errors—and nothing that could support the monopoly. A third researcher had been in Oslo the evening before to look at the Norwegian slot machines offered by the private operators, and concluded that the machines were so unsophisticated and located in such unpleasant places that they could hardly be popular among gamblers.

Later, the conclusions of our report were confirmed by research conducted by Norwegian Social Research (NOVA), Sintef, and MMI (poll agency), amongst others. Together, these reports played an indirect role in the monopolisation by bringing forward new facts about gambling and gambling problems in Norway. It should be noted that our report was only one of many events taking place during this period. The Gambling Authority became more active, the Help Line was established, etc. There were, in other words, many forces working in the same direction at the same time.

3) *What consequences did the process have for society and for your institution?*

There are many things that indicate a decrease in problem gambling once the monopoly had taken effect. The gross turnover of gambling decreased and the number of people calling the Help Line reduced. The control of the market, for example the age limit for gambling on slot machines, has improved. In the former system almost anybody could get money from the slot machines. I do not know how it is today but, at first, Norsk Tipping received too little income from their machines, probably because they were too strict. All in all, the monopoly is a success story. Indeed, after a while new challenges will appear, but that is how it is. Changes happen.

Jon-Inge Hansen

Journalist for the national newspaper, Verdens Gang (VG) until the late 2000s.

1) When did you first hear about the monopolisation and how was it justified?

A lot of alternative models were discussed around 2008, including the monopoly.

2) What role did you and your institution play in the process and how did you experience it?

We were three journalists who started to talk about this issue. Our common understanding was that there were some people who made enormous sums out of other people's tragedy. We could not understand how an industry could develop that far, and over such a long period of time, without anybody doing something about it. Some of these people expanded from nothing into being very wealthy, which was so little "Norwegian"; so little social-democratic. It was all explained by the mythic constellations between gambling and voluntary organisations that turn gambling money into something positive; something that funds sports grounds, research, etc. In contrast to other countries, gambling money is just gambling, which I think is cleaner; even though the market is pretty raw, you know what it is. By combining gambling and voluntary organisations, gambling becomes charity and hence easier to accept. But those who offered slot machines put the money directly in their pockets. The industry grew and those we talked to spoke the language of business. They said that if these machines were removed a lot of workers all over the country would lose their jobs. So there were two arguments for keeping the market as it was: first, the industry said that they did a lot of prevention and harm reduction work, which they actually did not, and second, that gambling had a positive glow of charity. We decided that neither of these arguments should be our

angles. Rather, one of our approaches should be to concentrate on those who did not have a voice in this case; those who spent money on the machines. These were people that didn't have much money in the first place and had their lives ruined because of gambling. Another approach was to follow the money and see who profitted in what. As we wrote our articles the case became more and more politicised. The case had been a big boil when we started, and the boil kept on growing the more we wrote. We wanted to contribute to change. We probably did some kind of campaign journalism without thinking about it. I do think that our articles contributed to the ban on private gambling machines and, hence, that we contributed to the monopoly. When Trond Giske, the Ministry of Culture and Church Affairs, called us and told that it had been decided that the slot machine market would be monopolised, we felt it as a victory. It is, however, important to understand that our goal was to contribute to a responsible market, independent of how it was organised.

3) *What consequences did the process have for society and for your institution?*

When we wrote our articles the gambling industry argued against monopoly but proved, through their irresponsible actions, that a regulation of the existing market was no alternative. It might be that the private market could be sufficiently regulated. But this was not the case when we started covering it. It was a 'cowboy' industry.

I also think that a monopoly is a better solution, but not if Norsk Tipping offer the same games as the private businesses. Personally, I think that the gambling industry is unimportant and not worthy of preservation. It is not important to have a market based on free competition; nor is it important to have a monopoly. I would prefer a country without a national gambling market. If we must have a national gambling market, I want it to be as small and controlled as possible. Our concern for problem gamblers is more important. Allowing a market that is so unregulated that peoples' lives are destroyed is, in my opinion, a sign of a dysfunctional society.

Since Norsk Tipping completed the process and all the old machines were replaced, the number of people gambling online has increased. Due to the international character of the gambling market today, Norsk Tipping's games and their risk of causing gambling problems, have become less important. In TV broadcasting from other countries the advertising of online gambling sites is massive nowadays. On these sites, people only have to click twice to gamble, one on the game and one on the bank account to get the money trans-

ferred. The old slot machines could be regulated. The new, online market is more challenging.

4 Analysis

There are many common elements in the actors' monopoly stories. The main events of the stories seem to be as follows:

1995: After lobbying from the Sports Association and private operators, the Ministry of Justice makes a proposal suggesting that not only humanitarian organisations, but also sports clubs and other organisations of public utility can offer slot machines and that slot machines can be run by private operators. The parliament passes the proposal. The machines became accessible 'everywhere'—in groceries, kiosks, restaurants, etc.—where the age limit of 18 years might be hard to control. The number of problem gamblers increases.

1998: The Ministry of Justice makes a proposal aimed at restricting the slot machine market by reducing their accessibility and potential harm. Parliament sends the proposal back to the Ministry with an order that regulation on slot machines should be amended to maintain the licensees' revenue from the machines. The Ministry arranges several meetings with the licensees and private operators which result in an amended proposal that is, according to themselves, nothing more than a codification of the practices that existed in the market.

2001: The responsibility for regulating private lotteries, bingo, and slot machines is transferred from the Ministry of Justice to the Ministry of Culture and Church Affairs.

2002: The Minister of Culture and Church Affairs, Valgerd Svarstad Haugland, makes a proposal aimed at restricting the slot machine market. The proposal is sent out for comment. The licensees and the private operators do not approve the proposal. The Minister decides to pursue a monopoly of the slot machine market to be run by Norsk Tipping as this will make the market

easier to regulate and control. The Minister arranges meetings with the 10 largest organisations (10H) in Norway offering slot machines. The 10H are offered a share of Norsk Tipping's surplus if they accept the monopoly. The 10H accept.

2003: The parliament passes a proposal suggesting a monopolisation of the slot machine market.

2003–2007: The private operators' association, NOAF, takes a case against the monopoly to the Oslo Town Court, where it wins. The Ministry of Culture and Church Affairs appeals the case to the Court of Appeal, and wins. ESA brings the case to EFTA, and NOAF appeals the case in the Supreme Court. Both EFTA and the Supreme Court accept the monopoly in 2007.

2006: Trond Giske, who replaced Svarstad Haugland's as Minister at the Ministry of Culture and Church Affairs (now called the Ministry of Culture), bans bank note acceptors on slot machines. The number of problem gamblers decreases.

2007–2010: The old slot machines are replaced by Norsk Tipping's Multix-machines. The number of problem gamblers continues at a lower level or decreases even further.

2010– : Norsk Tipping launches new platforms and games, such as Belago-machines (bingo) in 2011, EuroJackpot in 2012, 60 online games (2014), and Nabolaget (2015). Some of the online games are similar to those that were offered by the old slot machine regime.

An interesting observation is that the responsibility for the private lottery market was moved from the Ministry of Justice to the Ministry of Culture and Church Affairs in 2001. From then on, the Ministry of Culture and Church Affairs was responsible for a market that was in direct competition with Norsk Tipping's sports gambling services. Without this shift, the Ministry of Culture and Church Affairs would not have been in a position to monopolise the market. In this respect, the monopolisation of the slot machine market was the consequence of an organisational change conducted in the bureaucracy at the beginning of the 2000s.

Table 2: The actors' monopoly stories with regard to when they heard about the monopoly for the first time, how the monopoly was justified, what role their organisation played in the process, how they experienced the process, and the consequences of the process for their organisations and for society at large.

| | Awareness | Justification | Role of organisation | Experiences | Consequences |
|--|--|---------------------------|---|---|--|
| Government Ministry of Culture and Church Affairs | | Social policy | Produced the proposal and had it passed in the Parliament | The monopoly caused friction among politicians, organisations and private operators | A monopoly is easier to regulate than a private market |
| Valgerd Svarstad Haugland | | | Lost the case in Oslo Town Court | Ensured the organisations' support through a compensation model | |
| The bureaucracy, Ministry of Culture | | Social policy | Supported the Minister's work with the proposal and in the court system | Produced a proposal aimed at regulating the market in 1998 that was rejected by the licensees and the private operators | More than 1,000 people lost their jobs |
| Rolf Sims | | | | The monopoly caused friction among politicians, organisations and private operators | A monopoly is easier to regulate than a private market |
| | | | | The case against monopolisation was in the court system for almost 5 years | |
| The Gaming Authority | In 2002, through informal channels (Norsk Tipping) | Social policy and economy | Bring forward new knowledge about the market | The monopoly caused friction, especially among private operators | Many people who were employed at the authority to regulate the slot machine market lost their jobs |
| Atle Hamar | | | Phase out the existing slot machines | The case spent almost 5 years in the court system | A monopoly is easier to regulate than a private market |
| Norsk Tipping | 1998–1999 | Social policy | Suggested the monopoly to the Ministry of Culture and Church Affairs | The monopoly led to unexpectedly tough resistance from the humanitarian organisations | The number of problem gamblers has decreased since monopolisation |
| Jan Peder Strømshid | | | Designed a programme for phasing out the existing slot machines | Had to await the monopolisation programme whilst the case was in the court system | A monopoly is easier to regulate than a private market |
| | | | Bought new machines (Multix) and designed a programme for phasing them in | | Balancing financial and socio-political goals is challenging |

| | | | | | |
|--|----------------------|--|--|---|---|
| | | | Runs the monopoly today | | |
| Sports Association Inge Andersen | 2004 | | Was the first of the licensees to realise that the system had to change Was the Minister's closest collaborator in this case | Valgerd Svarstad Haugland was a tough politician who forced the monopoly through despite resistance | The monopoly and the current way of distributing Norsk Tipping's surplus are highly sustainable models for the future |
| Sports Association Per Tjøien | 2002 | Social policy | Ensured that financial loss was compensated for in the new system Ensured that the new system contributed to a more equal distribution of money among members | | The monopoly is a predictable solution that benefits all members, not just some. |
| Humanitarian organisation The Red Cross Bernt Apeland | The end of the 1990s | Social policy | Used as scapegoat because were first to offer slot machines and were expected to have a better moral code than other types of organisations The monopolisation would not have happened without our support. We were part of an alliance of good forces. | Before 1995, the Red Cross offered slot machines to provide money for humanitarian work. Subsequently found itself in a situation where it had to compete with private operators with commercial interests. In 2002, decided did not want the old system to continue. At the same time, did not want to withdraw from the market as other actors would take our market share | The Red Cross put the money it earned from slot machines into a fund which today provides NOK 100 000 000 every year. In addition they receive 216 000 000 From Norsk Tipping. The compensation model contributes to an unequal distribution of money between those who are, and those who are not, part of the agreement. |
| Private operator, NOAF Ottar Dalseth | 1998 | Officially it was socio-political reasons, but it was actually financially motivated | Used as scapegoats in the process Made suggestions about how the existing market could be regulated Informed ESA and took the case to the Oslo Town Court and the Supreme Court | Fought for the private operators' right to run machines for the voluntary sector | The monopoly contributes to increases in the number of problem gamblers Norsk Tipping breaks most of the monopoly's preconditions Norsk Tipping and the government do everything they can to hide things that may hurt Norsk Tipping's reputation |
| Private operator, NOAF Anita Fjærem | 1997 | Primarily financial reasons, secondary socio-political reasons | Tried to stop the monopoly taking effect Took the case to the Oslo Town Court | The monopolisation is just one of many cases where Norsk Tipping has replaced other gambling services with their own. | The State has a dual role as owner and regulator, and Norsk Tipping's dual role, as gambling business and operator, is highly problematic The monopoly has reduced the |

| | | | | | |
|---|-----------|--|--|---|---|
| | | | | | <p>number of problem gamblers</p> <p>The monopoly makes it more convenient for the government to regulate but the market could have been regulated without monopoly</p> <p>Norsk Tipping constantly introduces new games and does not take the opportunity to restrict their games</p> |
| <p>Terapeuts Borgerstadkliniken Special interest group, NFSP</p> <p>Ingjerd Meen Lorvik</p> | 2006 | Social policy and economy | <p>Produced a documentary on problem gambling</p> <p>Active in the press</p> <p>Gave prize to a journalist (Jon-Inge Hansen) writing about problem gambling</p> <p>Participated in dialogue meeting with Norsk Tipping</p> | <p>Ambivalent to Norsk Tipping because of its dual role. Even though Norsk Tipping invites dialogue meetings, they rarely listen and they do as they please</p> | <p>Positive to the monopoly and wants it to continue but is critical of the development of the monopoly as Norsk Tipping constantly launches new games mainly to please the Sports Association</p> |
| <p>Self-help group/interest group</p> <p>Lill-Tove Bergmo</p> | 2005 | Primarily socio-political, secondary financial reasons | <p>Active in the press increasing people's awareness and knowledge about gambling problems</p> <p>Contributed to ban slot machines in Lyngen and other municipalities in Norway</p> | <p>In the early 2000s there was little awareness and knowledge about gambling problems in Norway</p> <p>Strong resistance from humanitarian organisations, politicians, and private operators, which to some extent, used shameless methods to make us doubt our own goal</p> | <p>The monopoly is easier to control</p> <p>The number of people calling us for help decreased after the monopoly took effect</p> <p>Some people call us because of problem related to foreign games and Norsk Tipping's sports betting (Tipping and Oddsen)</p> <p>The consequences of Norsk Tipping's online games are so far unknown</p> |
| <p>Researcher, SIRUS</p> <p>Ingeborg Lund</p> | 2002–2003 | | <p>Conducted the first research on gambling and problem gambling in Norway, published March 2003</p> <p>Participated in research groups comprising actors in the slot machine market in 2002–2003</p> | <p>There were many good forces working together in the same direction.</p> <p>Private operators resisted change by questioning the research results</p> <p>The research results were supported by</p> | <p>The monopoly is a success story</p> <p>The monopoly has one, rather than many providers, which makes it easier to control</p> <p>Norsk Tipping may have problems</p> |

| | | | | |
|------------------------|------|---|---|---|
| | | Disseminated the results of the research in the closing seminar in 2003 | later studies | providing enough income as their machines are too strictly regulated |
| The press, VG | 2008 | Wrote news articles about problem gambling | Some people made a lot of money out of other people's tragedy | National gambling markets are signs of a sick country. We do not need a gambling monopoly, or a private market. |
| Jon-Inge Hansen | | | The constellation between gambling and the voluntary sector turns gambling money into something positive that funds sports, humanitarian work, etc. | A monopoly is a better solution than a private market insofar as it does not offer the same games as private businesses |
| | | | Gambling became more and more politicised in the mid-2000s | National monopolies become less relevant the more people gamble on foreign gambling sites |
| | | | Our articles did not aim at a monopoly, rather, to change the system more generally | |

Table 2 shows that the dates when the actors heard about Norsk Tipping's slot machine monopoly for the first time vary. Most actors heard about the monopoly in 2002, either at the Ministers' meeting with the 10H, or when the proposal was sent out for comment. Overall, it seems that the monopoly was initiated by Norsk Tipping around 1998. Also, the Red Cross seems to have been in contact with Norsk Tipping during this period to discuss this solution. The gaming authority was told about the monopoly by Norsk Tipping. If it had been told through formal channels it would have heard it from the Ministry. At that time the authority was working on a project aiming to develop an online control system for the existing slot machine market. The project was closed when the monopoly was proposed. Several interviewees claim that the Minister opted for a monopoly when the licensees and the private operators did not want to accept a proposal aimed at restricting the market.

An interesting observation is that many of the actors working to prevent and reduce the harm caused by slot machines did not seem to have heard about the monopoly until it was approved by the Supreme Court and EFTA. Rather than working for a restrictive type of monopoly they seemed to be more familiar with the idea of removing the slot machines from the gambling market. One reason may be the result of the work of Relatives for Gambling Addiction (which today is called Gambling Addiction Norway) who, in the mid-2000s, managed to create a social movement aiming to ban slot machines in Norway. Hence, whereas the Ministry of Culture and Church Affairs/Ministry of Culture worked for a monopoly and, hence, wanted the slot machine market to exist to provide money for good causes, its socio-political 'helpers' worked for a total ban. The mismatch between these sociopolitical goals may explain some of the friction between the Ministry and its supporters in the mid-2000s, for example, as expressed in the interview with Lill-Tove Bergmo, the head of Gambling Addicts Norway (former Relatives of Gambling Addicts).

Most interviewees suggest that the monopoly was primarily socio-political in nature and secondarily, economically motivated. However, one of the private operators claims that the Minister primarily wanted to get rid of the private slot machine market for economic reasons.

The analysis shows that the actors played different roles in the monopolisation process. The Minister had the overall responsibility for the process. Her main tasks were to generate support from the 10H and to conduct the case through the court system. The authority funded research and phased out the existing

slot machines. In addition to initiating the monopoly, Norsk Tipping bought new machines and designed a programme for these to replace the old ones. The 10H contributed to the process by accepting the monopoly. Without their agreement the monopoly may not have been passed in the parliament. Research confirmed that gambling was a problem in Norway and representatives from the treatment sector, self-help organisations, problem gamblers and their special interest groups, and journalists contributed, mainly through the press, by informing the public about gambling problems. The private operators fought, without success, for their right to offer slot machines, amongst other things, by informing ESA and by taking the case to the Oslo Town Court, but there were too many forces moving in the opposite direction.

Most actors experienced the monopolisation as a process of deep resistance; in the beginning, from politicians, licensees and private operators and, later, from the private operators only. Norsk Tipping and the Sports Association described Valgerd Svarstad Haugland as a tough politician who forced through her will. The private operators experienced the monopolisation as a very dishonest and unfair process. One of the private operators said that the private operators' reaction to the 2002 proposal, which aimed at restricting the market, was deliberately misinterpreted as disapproval and used by the Ministry to demonstrate the difficulty of regulating a private market and, hence, as an excuse to monopolise the market. Another private operator saw the monopolisation of the slot machine market as one of many examples where the state makes free with the gambling market, either by replacing private games with their own, or by making the rules for private games tougher than their own.

Apart from the private operators, all actors interviewed in this research are positive about the monopoly as it makes the market easier to control and keeps the number of problem gamblers at a low level. That said, the system is not without its challenges. A central criticism of the monopoly is the dual role of the state and Norsk Tipping, where they, on the one hand, represent a gambling business providing money for the voluntary sector (mainly the Sports Association), and, on the other hand, are regulators of the same games. The main problems are that the Ministry of Culture is responsible for regulating games that are in direct competition with its own games, and that Norsk Tipping may have problems balancing its financial and socio-political goals, according to one of the interviewees, because of intense economic pressure from the Sports Association. Many point to the fact that since the monopoly took effect, Norsk Tipping has launched several platforms and games, including 60 online games, some of which are similar to those offered by the old slot machine regime. Norsk Tipping admits that some of the games are similar but

that their games, in contrast to those of the private operators, are connected to a system controlling gamblers' behaviour.

Interestingly, two different impressions of Norsk Tipping emerge from the interviewees' stories. The former Minister describes a company that is highly competent and professional and widely recognised for its high socio-political profile. A private operator, on the other hand, tells of a corrupt business tending to hide information that may hurt its reputation and power. According to Aftenposten (2011)¹, a report from Riksrevisjonen (the Office of the Auditor General) confirms the latter view, indicating corruption, tax evasion and the squandering of money. However, an internal investigation conducted by the company Deloitte concluded that there was no reason to report Norsk Tipping to the police for corruption (Journalisten.no, 2012/2014)². One representative from the special interest group said that she has an ambivalent relationship with Norsk Tipping. Although Norsk Tipping has its own department focused on the prevention and reduction of harm from problem gambling, she argues that its economic goals tend to be given priority. She also claims that Norsk Tipping regularly invites the problem gamblers' special interest groups to dialogue meeting to hear their opinions, yet tends to 'do as they please'. Although this representative expressed a certain skepticism towards the development of the monopoly, she wants it to continue, probably because she sees no relevant alternatives that are better able to keep the number of problem gamblers at a low level.

After the monopoly took effect, the 'shared enemy' was no longer the private operators but the foreign gambling businesses offering their services online. Some interests groups have chosen to cooperate with Norsk Tipping and the Sports Association to combat these businesses. Others are afraid of losing their independence and have chosen not to make such alliances. One representative of the interest groups argues that she would prefer that her group was funded through the state budget rather than through the Norwegian Gaming Authority's fund as this is a fund that is generated from Norsk Tipping's surplus and, hence, originates from the problem gamblers that the group works to protect. Each year 0.5% (1,5 Mill Euro) of Norsk Tipping's surplus is given to the Authority which is then tasked with distributing the money in accordance with the government's 'Handlingsplan mot spilleproblemer 2013–2015' [Action Plan Against Gambling Problems 2013-2015]³. The main aims of the action plan are to keep the number of problem gamblers at a low level

¹ <http://www.aftenposten.no/nyheter/iriks/Norsk-Tipping-slaktes-5578474.html>

² <http://journalisten.no/2012/12/misfornoyd-med-norsk-tipping>

³ <https://www.norsk-tipping.no/selskapet/overskudd-og-sponsorater/overskudd>

(through strict regulation), increase and share knowledge about problem gambling (by funding research and networks), and identify problem gamblers at an early stage and ensure good treatment for them (by funding treatment, the help line and self-help groups). Hence, most of the work on prevention and harm reduction for problem gambling in Norway, including research, is funded by Norsk Tipping's money and distributed via the authority.

5 Conclusion

In this report I have explored the similarities and differences of the monopolisation stories as told by 13 actors who were directly involved in the monopolisation of the slot machine market that took place in Norway from the late 1990s to the late 2000s. The aims were to identify the factors influencing this process, both positive and negative and, as such, to reveal some of the structure of interests, knowledge and power that made the monopolisation possible. The analysis indicates that one important factor contributing to the monopolisation was the organisational changes that were made in 2001 when it was decided that the responsibility for slot machines, bingo and private lotteries should no longer be placed under the Ministry of Justice but under the Ministry of Culture and Church Affairs. Since the Ministry of Culture and Church Affairs was, and is, the owner of Norsk Tipping, it became responsible for regulating games that were in direct competition with those offered by Norsk Tipping, a company that since the late 1990s had been playing with the idea of taking over the slot machine market. Why this institutional shift was made is hard to tell. Was the intention to canalise political power to the Ministry of Culture or did the shift reflect an attitude that gambling was less related to crime and more related to public health and financial issues?

Another decisive driver of the monopolisation process was the personal engagement of Valgerd Svarstad Haugland who became Minister of the Ministry of Culture and Church Affairs in 2001. Svarstad Haugland produced the monopoly proposal and increased the likelihood of having it passed in the parliament by offering the licensees compensation for their financial loss if they accepted the monopoly. She also worked hard to have the monopoly approved in the national and international courts.

A third important actor in the monopolisation process was Norsk Tipping. Norsk Tipping, since its establishment in 1946, had a monopoly on sports games and national lotteries and was one of the organisations with the best

knowledge of the national and international gambling market. Two of their mandates were to identify problems in the gambling market and to find solutions. Since 1995 the gross turnover of slot machines increased significantly and Norsk Tipping worried that the market was out of control. The company, therefore, told their owner about their concerns and proposed several solutions for how control could be re-attained, the most preferable of which was to establish a monopoly under Norsk Tipping. The company was also responsible for buying the new government slot machines, the Multix, and for designing a programme for their implementation in Norway.

Another central actor was the Norwegian Gaming Authority which funded research on problem gambling and was responsible for phasing out the banned slot machines after the monopoly took effect. Representatives from the treatment sector, self-help groups, interest groups, researchers, and the press created a climate in which politicians could successfully work on the monopolisation by bringing forward new knowledge and informing the public about problem gambling and the need to remove the harmful slot machines.

Overall, the story of the Norwegian monopolisation of the slot machine market is a story about a state and its company that know what they want—and take it, first of all, by making use of the power that has been given to them through formal political channels, but also by making alliances with competent businesses and organisations working to combat a shared enemy. At first the shared enemy was the private operators; then, the online businesses offering their games from abroad. Many actors pointed to the difficulty of the dual roles of the state and Norsk Tipping and the challenges entailed in balancing both socio-political and financial goals. Their concern was that the company would give in to economic pressure from the voluntary sector. The fact that since the monopoly took effect, Norsk Tipping has launched new platforms and games, such as the Belago-machines (bingo) in 2011, EuroJackpot in 2012, 60 online games in 2014, and Nabolaget in 2015, and that some of the online games are similar to those that were offered in the old slot machine regime, has not gone unnoticed.

Although many actors are worried about the development of the monopoly, they are positive about it insofar as it manages to keep the number of problem gamblers at a low level. As one of the interest groups' representative expressed it, 'Indeed, there are things that could be improved, but if we have to have slot machines, we think that the monopoly is the best solution'.

SIFO is a non-bias governmental institute that conducts consumer research and testing. The board of directors is appointed by the Ministry of Children and Equality Affairs which also provides the basic funding. SIFO currently has a staff of 40. The scientific staff is comprised of researchers and other highly qualified personnel from social and natural sciences. SIFO's projects are organized into three categories: Consumption and economy, Market and politics and Technology and environment.



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