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Maiju Wuokko, MA  
Finnish and Nordic History  
University of Helsinki  
[maiju.wuokko@helsinki.fi](mailto:maiju.wuokko@helsinki.fi)

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## **Big Business in the War of the Finnish Succession: Motives and Means of Interaction in the Presidential Election of 1982**

### **Introduction: The Power Resources of Business Life**

According to a popular belief, money can buy power. Money truly may serve as a significant source of influence to those who have it or have control over it, such as big business and their leaders. In modern western democracies, campaign contributions have been an important way of transforming economic resources into political power. By funding the electoral campaigns of suitable candidates or parties in parliamentary or presidential elections, managers have tried to steer the attitudes and actions of political decision-makers towards favourable directions.<sup>1</sup> This has also been the case in Finland ever since the early years of the country's independence, i.e. from the turn of the 1920s onwards. Big business and their interest groups have provided substantial sums of money for those political parties or individual candidates who have best represented the interests and objectives of economic life. However, it has not always been clear whether electoral funding really has been an efficient means of getting through suitable political representatives and favourable political decisions.<sup>2</sup>

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1 See, e.g., Dahl, Robert A.: *Who Governs? Democracy and Power in an American City*. Yale University Press, New Haven 1966. 241–243; Mills, C. Wright: *The Power Elite*. Oxford University Press, New York 1956. 166–167.

2 Kuisma, Markku: *Rosvoparonien paluu. Raha ja valta Suomen historiassa*. Siltala, Helsinki 2010. 49–51, 75. In more detail, see Häggman, Kai: *Metsän tasavalta. Suomalainen metsäteollisuus politiikan ja markkinoiden ristiaallokossa 1920-1939*. Suomalaisen Kirjallisuuden Seuran Toimituksia 1055:2. SKS, Jyväskylä 2006. 36–42, 45–46; Jensen-Eriksen, Niklas: *Läpimurto. Metsäteollisuus kasvun, integraation ja kylmän sodan Euroopassa 1950-1973*. Suomalaisen Kirjallisuuden Seuran Toimituksia 1055:4. SKS, Helsinki 2007. 73–75, 87–88, 91–92, 95–96, 272–278; Jensen-Eriksen, Niklas: *Metsäteollisuus, markkinat ja valtio 1973-1995*. In Kuisma, Markku (ed.): *Kriisi*

Despite its obviousness, money is not the only form of capital – in the Bourdieun sense – that business life can utilize. The Swedish historian Niklas Stenlås has analysed the economic elite and its means of influence in the 1940s Sweden. Stenlås emphasizes the importance of social capital: kinship, friendship, and other kinds of personal contacts. According to Stenlås, social resources actually make up the most essential form of capital, because without it, the value of economic, political, or symbolic capital is limited. Outside his own economic orbit, a businessman is powerless if he does not have good connections. Close contacts with a holder of political power, for instance, makes it possible for the businessman to extend his sphere of influence to areas in which he himself does not carry sufficient power resources.<sup>3</sup>

Personal contacts between individual businessmen and politicians form wider social networks. These networks rely on the principle of reciprocity, a conception which Stenlås borrows from Marcel Mauss. In his famous study of the institution of gift exchange, Mauss depicts gift-giving as a source of hierarchy between the giver and the receiver. The receiver is obliged to return the gift in order to avoid ending up in a subordinate and dependent position. Stenlås adopts Mauss' ideas in his study of the Swedish economic elite's networks and combines them with Bourdieu's thoughts of different forms of capital. Stenlås views the social nexus as an arena for exchanging one form of capital into another with the mutual help of the network members. In addition to the various resources that the members control and can share, the network is based on interdependence and trust. Here, too, Stenlås underlines the significance of personal contacts. He reminds that businessmen are not just economic creatures or politicians just political, but both are deeply social beings. Therefore, social, political, and economic factors all have to be taken into consideration when exploring the political activity of business life.<sup>4</sup>

Stenlås' writings provide an extremely useful background for examining the attitudes and actions of Finnish industry leaders in the presidential contest of the early 1980s. A balanced analysis of the subject necessarily requires that both economic factors and personal motives are taken into consideration. In the following, I will introduce the exceptional situation in Finland at the turn of

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ja kumous. Metsäteollisuus ja maailmantalouden murros 1973–2008. Suomalaisen Kirjallisuuden Seuran Toimituksia 1055:5. SKS, Helsinki 2008. 66, 71.

3 Stenlås, Niklas: Den inre kretsen. Den svenska ekonomiska elitens inflytande över partipolitik och opinionsbildning 1940-1949. Arkiv avhandlingsserie 48. Arkiv, Lund 1998. 54–55, 233.

4 Mauss, Marcel: Lahja. Vaihdannan muodot ja periaatteet arkaaisissa yhteiskunnissa. Tutkijaliitto, Helsinki 1999. 28, 33, 36, 74, 124. (In English: The Gift. The Form and Reason for Exchange in Archaic Societies); Stenlås 1998, 50, 59–60, 232–233, 243, 338.

the 1980s, and discuss the business managers' reasons and means of involvement in the presidential campaign. Finally, I will look at the outcome of the industry's actions and deliberate on the value of those resources that big business and its interest groups could exploit. According to my preliminary interpretation, a complex web of economic and personal motivators pushed the magnates into action for their favourite candidate with the means they considered best and most usable. However, one crucial factor was missing: they were not able to read the political situation correctly and consequently failed in their endeavour.

### **The War of Finnish Succession**

Since 1956, Finland had been strong-handedly governed by President Urho Kekkonen. But in October 1981, at the age of 81, he had to resign prematurely because of his deteriorating health. The resignation did not come as a surprise to the inner circles of the society even though the President had stayed in extremely good shape for long thanks to his active and athletic way of life. But naturally, he could not stay in power forever, and already since the early 1970s, it had been evident that a successor for Kekkonen had to be found.

Kekkonen's long term coincided with the Cold War, during which Finland tried its best to balance between the two competing power orbits as a neutral country. However, the neutrality of Finland was often seriously questioned in the West because of the limited room of manoeuvre that the country had on the side of its mighty eastern neighbour. Throughout his presidency, Kekkonen stressed the necessity of establishing and maintaining friendly relations between Finland and the USSR, and the President himself concluded close, cordial, and confidential personal contacts with the eastern leaders. Fenno-Soviet politics was settled on the highest level possible, i.e. between the top-level Soviet leaders and President Kekkonen, who took the lead of Finland's eastern politics firmly in his hands. They agreed, for instance, on the guidelines for the two countries' bilateral trade, and President Kekkonen was an effective promoter of Finnish exports to the USSR. During his term, Fenno-Soviet trade grew markedly in both number and importance, bringing great profits to Finnish companies and economic prosperity to the whole country.

Kekkonen's role as a sales representative of Finnish industry in the East made him extremely precious especially to those companies concentrating on metal, machine shop, and shipbuilding industries. In addition, he was able to gain approval from the Soviet leaders for Finland's commercial rapprochement with Western Europe, which made him valuable for the west-oriented wood processing industry as well. President Kekkonen also held and wielded a lot of power inside

the Finnish society. This power was not necessarily based on his office but on his wide network of personal contacts that extended throughout the society, from actors to politicians and from clergymen to captains of industry. The President had “long arms” and was able to influence decision-making on many levels and sides of the society. Accordingly, his support was often crucial to the success of both individual managers and their careers, and to that of companies and their business projects.

Many Finns – industry leaders among others – believed that the election of 1982 would be about replacing the old Kekkonen with a new one – i.e. that the new president would have and use similar power as his predecessor. Little wonder, then, that it was crucial for the business life to find a suitable successor and get him elected as president. While Kekkonen still was in power, open and public discussion about his successor was impossible. In small, confidential circles people nevertheless speculated and pondered on the issue. And behind the scenes, political parties and the most probable candidates prepared themselves for the shift of power.<sup>5</sup>

Because of Kekkonen's premature resignation, the election had to be arranged fast and the actual presidential campaign was short, lasting from October 1981 to January 1982 – but it was, nevertheless, fevered. In every presidential election during the last three decades, Kekkonen had been among the presidential candidates and, except once (in 1950), he had always won. His resignation truly was the end of an era, and the election seemed to be the starting point for a new period in the history of Finland. The whole country's future direction seemed to be at stake, and therefore, the voting choice could not be taken lightly. The presidential election was not going to be a referendum but the people would vote a 301-headed electoral college who would then select the president from the nominees. The system yielded to political horse-trading and made it possible to draw a dark horse in the contest in the latter rounds of the election. It was thus a plausible prospect that the electoral college might vote against the will of people and comply with the political parties' trade-offs, which fuelled public debate and sentiments about the presidential election.

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5 Hästö, Stig H.: Vuodet kertyvät, pilvet haihtuvat. Omaelämäkerrallista tarinaa ja mietteitä seitsemältä vuosikymmeneltä. WSOY, Porvoo 1987. 320, 346–348; Jakobson, Max: Vallanvaihto. Havaintoja ja muistiinpanoja vuosilta 1974–92. Otava, Helsinki 1992. 15; Kangas, Lasse: Ahti Karjalainen tasavallan kakkosena. Kirjayhtymä, Helsinki 1984. 137–138; Mansner, Markku: Suomalaista yhteiskuntaa rakentamassa. Suomen Työnantajain Keskusliitto 1980–1992. Elinkeinoelämän keskusliitto EK, Helsinki 2005. 74–75; Saari, Matti: Kari Kairamo. Kohtalona Nokia. Gummerus, Jyväskylä – Helsinki 2000. 76–77.

From very early on, it was obvious that there were two main competitors in the contest<sup>6</sup>: Social Democrat Mauno Koivisto and the Centre Party's Ahti Karjalainen, both of whom were long-time ministers and members of the Bank of Finland's Board of Management. For years, Koivisto remained the king of opinion polls regarding the future president. Karjalainen, on the other hand, was the former favourite of President Kekkonen himself and remained in the favour of the Soviet Union even after falling from Kekkonen's grace in the early 1970s.

Several influential magnates, especially those in eastern trade, took the side of Karjalainen. In retrospect, this seems quite irrational because despite his long and successful career in Finnish politics Karjalainen had one fatal flaw: alcoholism. Over the course of years, his condition fluctuated but gradually worsened, and by the turn of the 1980s, it should have been evident that he would not be capable of ruling a country. None of the industry captains would have hired Karjalainen in their companies but still they forcefully advocated him as the next president of Finland.<sup>7</sup> This discrepancy leads us to take a closer look at the motives behind the business managers' seemingly inconsistent behaviour.

### **Why Not the Winning Horse?**

As the election date approached, Koivisto's poll lead remained strong. But despite the probability of his win, the industry leaders clung tightly to their pro-Karjalainen stand and even rallied against Koivisto. Not only in hindsight but also in the calculations of contemporaries, it seemed certain that Karjalainen could not beat Koivisto if the two of them were face to face in the last round of the election.<sup>8</sup> Furthermore, Karjalainen was not even fielded the presidential candidate of the Centre Party but lost the nomination to his rival Johannes Virolainen. But even without being an official contender, Karjalainen remained Koivisto's main opponent because people widely believed that he might be put forth as a dark horse in the final election. The speculations made it possible for the business managers to stubbornly stick to Karjalainen to the very last. But would it not have been strategically wiser for them to move over to Koivisto's side? Why bet the losing horse instead of the winning one?

6 Blåfield, Antti & Vuoristo, Pekka: *Kun valta vaihtui. Mitä todella tapahtui presidentinvaaleissa 1982*. Kirjayhtymä, Helsinki 1982. 245; Jakobson 1992, 245.

7 Lauantaiseura: *Tamminiemen pesänjakajat. Kekkonen lähtee – kuka tulee?* Kustannusvaihe Ky, Tampere 1981. 32–33; Saari 2000, 80; Simon, John: *Koneen ruhtinas. Pekka Herlinin elämä*. Otava, Helsinki 2009. 306; In those days, heavy use of alcohol was common in Finland and drinking was an integral part of the socialising between the Finns and the Soviets. See, eg., Lauantaiseura 1981, 55–56; Simon 2009, 72, 76.

8 Hästö 1987, 354, 370; Tarkka, Jukka: *Uhan alta unioniin. Asennemuutos ja sen unilukkari EVA*. Otava, Helsinki 2002. 246, 266; *Virmavirta*, Jarmo: *Presidenttipeli ja sen pelaajat. Mielikuvia ja muistikuvia lähes 40 vuoden ajalta*. Kirjastudio, Helsinki 2005. 80, 98.

Of course, ideological factors were relevant. Koivisto was a Social Democrat, whereas the industry captains voted for the conservative non-socialist parties, mainly the the National Coalition Party or the Swedish People's Party. In the early 1970s, socialist tendencies dominated the Finnish politics – at least on the level of rhetoric – and managers were afraid of the potential nationalisation of their companies and even of an incipient revolution in the country. Towards the close of the decade, however, the leftist trend waned and rightist winds began to blow in Finland, just like elsewhere in Europe. As a side product of the process, European Social Democratic Parties lost their radicalism and transformed into conservative forces. In Finland, the Social Democrats and the industry established consensus and engaged in cooperation in order to set the country's dwindling economy back on track.<sup>9</sup>

At that time, Mauno Koivisto, in the capacity of the Chairman of the Bank of Finland, was among those who forcefully called for financial realism. This was by no means the only time when Koivisto proved that he understood the financial facts and, to a certain point, the needs of the business life. Despite being a Social Democrat, Koivisto realised the pivotal significance of economic growth and had moderate and pragmatic opinions about economic policy. He constantly worried about the health of state finances, strongly criticised the increase in state spending, and took a reserved stand towards the excessive expansion of the welfare system.<sup>10</sup> Yet, during the presidential campaign, the usually very pragmatic industry leaders suddenly turned all ideological and orthodox. Any of the non-socialist candidates would be better than a Social Democrat, they claimed, and warned that the so-called Mitterrand-phenomenon<sup>11</sup> or even a shift towards socialism might take place in Finland if Koivisto was elected.<sup>12</sup>

The idealism of the industry captains seems, however, rather shallow and contrived. If ideological reasons really were deciding, they should have advocated the National Coalition Party's candidate Harri Holkeri, the Swedish People's Party's Jan-Magnus Jansson, or the Liberal People's Party's Helvi Sipilä, the first female presidential candidate in the history of Finland. Instead, the business managers reasoned that none of these conservative contenders stood a chance and, quite

9 Jakobson 1992, 117–119, 170–173, 228, 234–235.

10 Hästö 1987, 259; Jakobson 1992, 171; Lindblom, Seppo: *Manun matkassa*. Otava, Helsinki 2009. 40–41; Savola, Hannu (ed.): *Näin saatiin presidentti. Raportti Kekkonen kauden päättymisestä ja vuosikymmenen presidentinvaaleista* 1982. Helsingin Sanomat, Helsinki 1982. 62.

11 François Mitterrand, the President of France from 1981 till 1995, dissolved the Parliament after his rise to power and called a new election in order to achieve a socialist majority in the French national assembly.

12 Hästö 1987, 357; Jakobson 1992, 254; Koivisto, Mauno: *Kaksi kautta 1. Muistikuvia ja merkintöjä 1982–1994*. Kirjayhtymä Oy, Helsinki 1994. 28, 38; Lindblom 2009, 279; Savola 1982, 63, 149.

pragmatically, took the side of the Centre Party's<sup>13</sup> Karjalainen. The same cold calculations had led the business life to team up first with the Centre Party and later on with the Social Democrats, the two true powerhouses of the domestic politics, while the Coalition Party remained on the opposition bench practically throughout Kekkonen's term.<sup>14</sup> Differences of ideology between Koivisto and big business surely had some meaning but their significance can be questioned. There was nothing inexcusably or unsurmountably wrong with Koivisto, which leads us to the conclusion that Karjalainen must have had some major advantages up his sleeve.

### **The Trump Card of the Dark Horse**

Karjalainen's most important trump card was the Soviet Union. As mentioned earlier, Finland's eastern policy was attended personally by President Kekkonen. Kekkonen could not, however, hold a total monopoly over the relations with the Kremlin but needed helping hands. Ahti Karjalainen served as one of Kekkonen's most loyal and trusted assistants in the field of eastern politics and trade. Already from the early 1960's onwards, Karjalainen played a central role in the Fenno-Soviet commerce. He was able to gain the trust and respect of the USSR leaders, who soon began to treat Karjalainen as their favourite successor candidate to Kekkonen. Around the same time, a circle of industry leaders gathered around Karjalainen, establishing links of interaction between Karjalainen, the Centre Party, and the industry.<sup>15</sup>

The distinctive nature of the commercial relationship between Finland and the USSR made the close and confidential personal contacts between the leading figures of both sides extremely important. Finland's eastern trade was not just about trade but also about politics. As long as Finland was led by men that the Soviets liked and trusted and practised Soviet-friendly politics, the USSR gave Finland a high priority in its foreign trade.<sup>16</sup> The two countries' leaders discussed and decided especially the big picture but also smaller details of the commerce between themselves. The countries' foreign trade officials naturally had their say as well, but sometimes they had no choice but to carry out decisions already made on the higher political level. This practice proved highly advantageous for the Finns, who, with the help of their dedicated and determined salesmen Kekkonen and Karjalainen, were able to push through numerous profitable projects and excellent export agreements.

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13 The Centre Party's official candidate, Johannes Virolainen, however was not in favour with big business.

14 Jensen-Eriksen 2008, 66, 69, 71.

15 Hästö 1987, 293, 306, 355; Kangas 1984, 127; Lauantaiseura 1981, 35.

16 Hästö 1987, 348, 355; Kangas 1984, 72; Sutela, Pekka: Finnish trade with the USSR: Why was it different? BOFIT Online (2005):7. 8; Tarkka 2002, 140, 144.

As the holders of the keys to the huge USSR market, Kekkonen and Karjalainen naturally were of focal meaning for the Finnish business life. The country's eastern trade was greatly dependent on the personal contribution of President Kekkonen, who made it his business to present and promote the proposals Finnish companies to the Kremlin. Similarly, Karjalainen was able to solve the possible problems in the eastern trade with the help of his Soviet contacts. In the eyes of Finnish big business, President Kekkonen and his right hand Ahti Karjalainen stood as the guarantors of the lucrative Fenno-Soviet trade. Nobody knew what would happen to the commerce if it was not for them and their close connections with the Soviets, and no one was anyone willing to find that out. If the wrong man was elected as president, Finland might lose its preferential status, and officials might replace the leading politicians as negotiators in the trade deliberations. Therefore, the continuity and stability of the eastern trade had to be ensured by getting Karjalainen, the favourite of the eastern leaders, elected as president after Kekkonen.<sup>17</sup>

What has to be borne in mind is that the eastern trade was by no means any petty business. From the perspective of the West, the Fenno-Soviet commercial links may have seemed as a forced and dangerous burden but in truth, the trade yielded huge profits to the companies involved in it and gained great prosperity for the whole Finnish national economy. Accordingly, the eastern trade has been described as a “jackpot” or a “pay-dirt”.<sup>18</sup> During the years of the Cold War, 15 to 25 per cent of the total Finnish exports went to the USSR. The trade was bilateral in nature, financed as clearing, and organised around five-year trade agreements. The Finns exported machines, ships, cellulose, paper, and cables to the Soviet Union and imported natural gas, crude oil, and timber – i.e. received raw-materials in exchange for refined products. The eastern trade employed at least 150,000 Finns directly, and impacted the livelihood of further 300,000 citizens.<sup>19</sup> And when it comes to the individual companies involved, the five-year agreements provided predictability and stability. The Soviets bought huge quantities and/or paid high prices, and through mutually agreed pricing policies, the Finns hiked up their earnings even further. With the help of the profits gained and downpayments received from the eastern trade, Finnish companies were able to improve and develop their products, which consolidated their position in the more demanding western market as

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17 Blåfield & Vuoristo 1982, 181–182; Hästö 1987, 320, 348, 355; Kangas 1984, 129–130.

18 Simon 2009, 302, 306; Tarkka 2002, 84.

19 Sutela 2005, 4–5; Vladimirov, Viktor: Näin se oli... Muistelmia ja havaintoja kulissientakaisesta diplomaattitoiminnasta Suomessa 1954-1984. Otava, Helsinki 1993. 309–310.



well.<sup>20</sup> According to a – more or less truthful – anecdote, the Finns had a 20/80 rule: “a fifth of a company's exports should go to the USSR, bringing four fifths of all export profits”.<sup>21</sup>

Considering the exceptional financial interests at hand, the strong support that Karjalainen received from the industry captains no longer seems like any sort of a puzzle. Besides, it did not even really matter whether Karjalainen was elected or not. The magnates of eastern trade could attain their goal regardless of the outcome of the election, because already by advocating the favourite of the Kremlin, Finnish big business was able to make a statement that must have pleased the USSR.<sup>22</sup> In this sense, Karjalainen only served as a token of the industry leaders' appreciation for the Fenno-Soviet trade and demonstrated their sincere hopes for the continuity of the commerce.

Koivisto, for his part, could not boast with similar eastern-political assets as Karjalainen. He lacked Karjalainen's cordial contacts with the East and also lagged far behind his rival concerning his expertise in Fenno-Soviet relations and trade. The Kremlin obviously preferred Karjalainen over Koivisto, even though they avoided open and direct interference in the presidential contest. What made Koivisto questionable in the eyes of the Soviets was his personal style that differed completely from that of Kekkonen or Karjalainen. His way of expression was obscure and indecisive, he tended to hem and haw, and he was uncomfortable the official liturgy of the Fenno-Soviet relations. The Soviets complained that they did not know Koivisto, which, considering the importance of personal interaction to the eastern leaders, actually was quite harsh criticism – or, at least, taken as such by the proponents of Karjalainen.<sup>23</sup>

### **The Norms of the Network**

The financial benefits gained from the eastern trade alone would make up a sufficient motivator to explain the attitudes of the Finnish industry in the electoral fight. But in addition to the pragmatic, economic incentives, there was also social rationality to the businessmen's stand behind Karjalainen. Not only the Soviets lacked personal contacts with Mauno Koivisto but he had remained unfamiliar with the Finnish industry managers as well. The Prime Minister and the Chairman of the Bank of Finland did not entertain the magnates or bond and network with them but

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20 Häikiö, Martti: *Sturm und Drang. Suurkaupoilla eurooppalaiseksi elektroniikkayritykseksi 1983–1991*. Nokia Oyj:n historia 2. Edita, Helsinki 2001. 37; Simon 2009, 302–303; Sutela 2005, 4, 11–12; Tarkka 2002, 84.

21 Sutela 2005, 16–17.

22 Blåfield & Vuoristo 1982, 177.

23 Blåfield & Vuoristo 1982, 127, 132, 134, 196–197; Hästö 1987, 354, 362; Jakobson 1992, 251, 257; Karjalainen, Ahti & Tarkka, Jukka: *Presidentin ministeri. Ahti Karjalaisen ura Urho Kekkosen Suomessa*. Otava, Helsinki 1989. 237; Lindblom 2009, 19.

kept his distance – and independence – from the business life. Furthermore, Koivisto did not necessarily lend an understanding ear to the worries and demands of the business managers who came to meet him at the Bank of Finland. Instead, he could even publicly scold them for being wasteful and thus guilty of creating or at least worsening the financial problems of their companies.<sup>24</sup>

Ahti Karjalainen, on the other hand, built his power on networks and personal contacts, not only with the Kremlin but also with the Finnish industry, rather than on public popularity and a direct mandate from people. As mentioned above, Karjalainen established close links with big business already in the 1960s, at the same time as he entered the economic-political elite of Finland. Karjalainen and the industry's similar thoughts about economic policy naturally facilitated their interaction. Unlike Koivisto, Karjalainen also was a politician to whom the industry leaders could go to and complain about their problems. He would listen to them and help them as best he could. The contacts proved useful for both parties: the magnates got in touch with the highest echelons of the country's politics, and Karjalainen and the Centre Party gained contacts in the business life, from which they could also receive notable financial support.<sup>25</sup>

The economic rationale behind the magnates' stand in the presidential campaign was thus effectively bolstered up by social motives. Ahti Karjalainen and the industry captains obviously were members of the same social nexus, which leads us back to Niklas Stenlås and his examination of networks. As Stenlås writes, networks are based on reciprocity and trust. Loyalty is a norm between the network members, and they are obliged to help each other out as they best can. The help is not, however, altruistic or disinterested. Namely, the helper can count on receiving a *quid pro quo* in return for his favours.<sup>26</sup> According to this logic, then, the support given to Karjalainen can be interpreted either as compensation for Karjalainen's earlier help or as “downpayment” for his future services – or, perhaps, as both.<sup>27</sup>

The network bonding Karjalainen with the business leaders however must not be viewed only as a coldly calculated coalition of self-seekers. As Stenlås points out, the line between strategic and sincere amity is very fine indeed, and even the persons involved cannot tell which one their association is based on. In any case, the relationships inside the network tend to develop from

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24 Lindblom 2009, 213–214; Savola 1982, 62.

25 Kangas 1984, 35, 126–127, 129–130; Lauantaiseura 1981, 38.

26 Stenlås 1998, 50, 59, 233, 242.

27 See, eg., Jakobson 1992, 255; Jakobson, Max: *Tilinpäätös*. Otava, Helsinki 2003. 19; Saari 2000, 80.

professional links to private friendships through processes that create trust and cohesion. This changes the services exchanged within the nexus to more complicated favours between friends. Another typical feature of the network relations is their permanence and longevity; they do not necessarily fade even if a network member's term ends or if official communication between them ceases.<sup>28</sup> It was thus only consistent with the norms of the nexus that the industry captains still advocated Karjalainen despite the fact that he did not hold any official position any more (except for his membership in the Bank of Finland's Board of Management) and was not even nominated as the official presidential candidate of his own party.

Stenlås' analysis helps to understand how pragmatic, economic interests and personal, social engagements interact and intertwine with each other in the case of Karjalainen, the industry and the presidential election. But how did these interlaced motivators translate into action in practice? After examining the motives behind the big business' attitudes, we still need to look at the means of influence that the magnates could utilize and the outcome of their interference in the presidential election.

### **The Tricks of the Trade**

In modern democracies, big business cannot just buy power but has to resort to more subtle tactics. The above mentioned electoral funding is one of the most common and important ways of influencing. At the turn of 1981–1982, however, the Finnish industry did not consider financial support alone to be a sufficient instrument of action. In addition, the magnates of eastern trade made an attempt to affect the opinions of voters directly through releasing public statements and advertisements.

Right before the Centre Party's primary election, the Confederation of Finnish Industries made an announcement advising people to vote for those persons and parties who had actively promoted Finland's foreign trade and the Fenno-Soviet commerce, because they would best be able to secure the country's employment situation and international competitiveness. The statement did not mention any names, but obviously, it was a pro-Karjalainen comment. According to the jokes provoked by the announcement, the only things missing were Karjalainen's height, weight, and shoe size.<sup>29</sup> If nothing else, the proclamation succeeded in arousing heated public discussion and debates among the industry itself as well. Not all business managers agreed on the rationality of giving the

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28 Stenlås 1998, 242–244.

29 Blåfield & Vuoristo 1982, 178; Mansner 2005, 78–79.

statement or even supporting Karjalainen in the first place. The doubters faced strong personal and political pressure, for instance threats that the Fenno-Soviet trade would end or at least suffer if the wrong man was elected (or, the right one was not). But not even the intimidation helped the pro-Karjalainen magnates to persuade the whole of Finnish industry into a united front. The Confederation of Finnish Industries nevertheless carried on its public appearances according to the wishes of the powerful men of eastern trade even after Karjalainen lost the primary election.<sup>30</sup>

In late December 1981, the industry captains applied directly to the voters through a newspaper advertisement titled “Think about this, Finn”. The ad stressed that in the presidential election, the Finns would not only cast their votes for a person but also for a party. The aim was to remind the non-socialist electors of the importance of party loyalty, because Social Democrat Koivisto seemed to be worryingly popular even among the more conservative voters. The announcement was put out three times and it was signed by about two hundred business managers, chief editors, artists, scientists, and athletes, with one hundred names published each time. Koivisto's electoral coalition responded with an anti-advert with the title “Us Finns have deliberated” and 600 signatories.<sup>31</sup>

In addition to these joint appearances, some notable and influential magnates also appeared as individuals in the organ of the Centre Party in late November with their pro-Karjalainen statements. The CEO of the Confederation of Finnish Industries, Stig Hästö, wrote an article published in the newspaper *Uusi Suomi* in early December, in which he claimed that the people of Finland are not experienced enough to consider all aspects of the presidential election after 25 years under the leadership of the same ruler. Because of this, in Hästö's opinion, the industry was entitled to advice electors on how to make the most sensible voting decision. At the beginning of January 1982, Hästö sent a circular letter to the executives of the Industry Confederation's member companies, with similar content to his newspaper article. Another memorandum, questioning Koivisto's economic political opinions, also circled among business managers during the presidential campaign.<sup>32</sup>

The magnates of eastern trade were able to induce the Confederation of Finnish Industries to run a campaign that swallowed around three million Finnish Marks<sup>33</sup>, equivalent of more than a million Euros in the value of money in 2009. But how did the industry captains' crusade for Ahti

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30 Blåfield & Vuoristo 1982, 164, 166, 177, 179, 181–182; Lindblom 2009, 279; Mansner 2005, 71, 77, 79; Savola 1982, 71, 91–92; Tarkka 2005, 257–258.

31 Blåfield & Vuoristo 1982, 214; Hästö 1987, 366; Mansner 2005, 78–79.

32 Blåfield & Vuoristo, 227; Hästö 1987, 363, 367–368; Savola 1982, 72.

33 Tarkka 2005, 258.

Karjalainen succeed, and what were the results of the presidential election at the end of January 1982?

### **Trial and Error**

The presidential gamble of the magnates failed miserably. In the end, Karjalainen's name did not even come up in the actual election, and if it had, Karjalainen would not have stood a chance against the huge popularity of Koivisto. The latter took an overwhelming victory from his rival candidates with record-breaking figures: he received 1,400,000 votes which accounted for 43 per cent of the total vote.<sup>34</sup> A major portion of the Finnish industry had indeed bet on the losing horse and got their fingers burned in the process. On the other hand, the result of the election was not completely negative from the perspective of business life. The outcome contributed to the stability of Finnish domestic politics, which naturally was in the interests of the industry. The election of a Social Democrat president could also be interpreted as a sign of national reconciliation and Koivisto as a uniting figure who finally brought an end to the polarization that had troubled the nation ever since the Civil War of 1918.<sup>35</sup>

An aspect equally important was that Koivisto represented the revival of democracy in the Finnish society. President Kekkonen's long term was not quite congruent with the constitution, and his reign curtailed Finnish democracy and eroded the integrity of Finnish political system and people's faith in it. By mid-1970s, Kekkonen had gained practically unquestioned power and could run the country's politics according to his will and wishes. The Soviet Union was used as a domestic-political weapon; political opposition did not exist; self-censorship and Finlandization flourished. No wonder that after Kekkonen's resignation, people wanted a thorough change in the putrid political culture. Koivisto was seen as the manifestation of change, whereas Karjalainen epitomized the continuity of the old regime and embodied the excessive servility to the East. Karjalainen's poor image, caused by his alcohol problems and his stiff and dull public persona, did not help him either. Last but not least, the discussion about Karjalainen entering the contest as a dark horse gave the impression that the election was a struggle between political back-room scheming or sneaky horse-trading and honest, straightforward, democratic decision-making.<sup>36</sup> Consequently, not only those

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34 Savola 1982, 137, 149.

35 Jakobson 1992, 254; Jensen-Eriksen 2008, 70–71; Savola 1982, 157; Tarkka 2005, 269. The Finnish Civil War was fought in the spring of 1918 between the socialist "Reds" and the bourgeois "Whites". The war ended in the victory of the latter.

36 Blåfield & Vuoristo 1982, 244–245; Hästö 1987, 358; Jakobson 1992, 237–238; Laukkanen, Markku: Kekkospuolueen kujanjuoksu. Sisäkuva vallasta ja väyrystä. WSOY, Porvoo–Helsinki–Juva 1982. 19, 170, 174–175; Savola 1982, 193; Suomi, Juhani: Pysähtyneisyyden vuodet. Mauno Koiviston aika 1981–1984. Otava, Helsinki 2005. 56–57.

with leftists leanings voted for Koivisto but also many non-socialists who had grown tired of Kekkonen's era and its ways of wielding power.<sup>37</sup>

The representatives of private economic life naturally held high the value of democracy and could have accordingly adopted, if not a pro-Koivisto stand, then at least a neutral attitude towards the presidential election. As a matter of fact, some of the opinion leaders of the industry did so. In their opinion, the way in which the presidential campaign was run had more significance than the result itself. The election process could either strengthen Finland's sovereignty and democracy or bolster up Finlandization and Soviet interference in the country's affairs.<sup>38</sup> This somewhat idealistic outlook would have been more correct than the rigid and stubborn pro-Karjalainen stance of the magnates of eastern trade, at least considering the outcome of the election. The actions of the latter showed that many of the leading Finnish business managers were, despite their financial success, “political analphabets” who read the situation completely wrong and miscalculated their own possibilities of influencing the voting behaviour of the Finns.<sup>39</sup>

In fact, it may well be that the industry's pro-Karjalainen intervention only added to Koivisto's success. The election results have been explained as a protest against the pressure applied by the Soviet Union and the threats made by the industry captains, both aimed at Karjalainen's support. Furthermore, the election was an indication of the Finns' alienation from political parties. People discarded their party loyalties and voted for the candidate who was distinctively independent from his parent party and had earned his spurs if not above then at least outside party politics. And in any case, the outcome of the election was an obvious counter reaction against Kekkonen's term with its dubious forms of decision-making and governance. Even though it is difficult to prove the concrete effects of these factors on the Finns' voting behaviour, it is evident that they all contributed to the same end result – a shift of power and a change of an era.<sup>40</sup>

Fortunately for the industry, its pro-Karjalainen campaign did not affect the relationship between the new head of the state and Finnish business life. Apart from some scoffing in the leftist press, the industry leaders did not have to suffer from any serious repercussions. Instead, President Koivisto soon made some conciliatory gestures towards the industry, for instance granted the honorary title of mining counsellor to one of the magnates who had most fiercely opposed him during the

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37 Jakobson 1992, 260; Mansner 2005, 80; Saari 2000, 7.

38 Jakobson 1992, 252–255, 266; Tarkka 2005, 264–265, 269.

39 Kuisma 2010, 76; Lindblom 2009, 277.

40 Hästö 1987, 369; Laukkanen 1982, 17–21; Savola 1982, 149–151, 189; Suomi 2005, 56; Tarkka 2005, 269.

campaign. The much feared interruption in the eastern trade did not take place but instead, the Fenno-Soviet commerce reached record figures in the first half of the 1980s – even though probably not to Koivisto's credit but, rather, regardless of his rise to power. And when it comes to Karjalainen, Koivisto made him his successor as the Chairman of the Bank of Finland. In the future, the business managers nevertheless decided to keep a lower profile regarding Finnish presidential elections and the country's domestic politics in general.<sup>41</sup>

### **Conclusion: The Limited Power of Money**

In addition to driving voters to Koivisto, the interference of the industry leaders and their major interest group in the campaign only served to strengthen the common notion that Finnish big business truly was able to substantially influence parliamentary or presidential elections.<sup>42</sup> This however was not the case, at least not in the election of 1982 in which business life proved surprisingly powerless. The magnates were not able to turn their economic resources into political power but instead only managed to evoke a political counter reaction. Money simply could not vote against the will of the people, and in this sense, the election was a victory of people's power over the power of money, in addition to that of the political parties and the Soviet pressure.

This “case study” of the early 1980s Finland brings forth the limits of the power of money. Despite the industry captains possessing the rationale and resources necessary for action, they lacked something very essential: the ability to read and predict the situation correctly. The outcome of the presidential election seems to suggest, then, that money does not translate into power in all circumstances; especially not if the money strives upstream, against strong counter forces. Those with the economic resources and rational reasons to exploit them also have to have well-developed situational sensitivity and flexibility if they wish to successfully advance their goals and interests – well-grounded motives and versatile means of action alone do not suffice.

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41 Hästö 1987, 370; Jakobson 2003, 242, 267; Jensen-Eriksen 2008, 70–71; Mansner 2005, 80, 82.

42 Jensen-Eriksen 2008, 70.

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