



Mastering market repugnance: Can private regulation initiatives prevent harsh government regulation in Finnish private elderly care?

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<p>Abstract:</p> <p>Previous research in political economy has emphasized corporate lobbying as a pathway through which businesses influence government policy. This thesis examines a less-studied mode of influence: private regulation, defined as voluntary efforts by firms to restrain their own business, in the context of Finnish private elderly care. The thesis suggests that profits in elderly care is a particularly controversial policy issue that suffers from market repugnance, defined as a situation where there might be willing suppliers and demanders of certain transactions, but an aversion to those transactions by others restrain or even stop the transactions. Now, this thesis assert that elderly care firms can use modest private regulation as a political strategy to decrease market repugnance and in so doing preempt more stringent government regulations that could hinder profit making.</p> <p>To test this hypothesis, this thesis organized a survey experiment, where university students and young professionals participated. The survey experiment revealed that the subjects reacted to a private regulation initiative (PRI) by firms. When subjects were asked whether profits should be allowed in elderly care, they held more positive views towards profits after exposed to the PRI. The same dynamic also materialized when subjects evaluated whether firms should be allowed to independently determine minimum staffing requirement per elderly. Furthermore, subjects were also more trustful in the prospect that elderly care firms prioritize the health of elderly before profits, after informed with the PRI.</p> <p>The findings in this thesis have potentially significant societal implications particularly in the domain of private sector influence on social- and healthcare policy. Private regulation is a political strategy that firms can use to decrease demand for stringent government regulation. In addition, the results suggest that firms needn't use a lot of resources to decrease demand for regulation. However, the results also suggest that there is a demand among the public for more socially responsible firms. Even those on the Left are ready to reward firms that display a tangible commitment to responsible conduct with greater freedoms and increased legitimacy. This could ideally nudge firms towards a more responsible and a more societally embedded conduct.</p>	
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<p>Sammandrag:</p> <p>Tidigare forskning inom politisk ekonomi har betonat lobbying som ett sätt för företag att påverka offentlig politik. Denna avhandling undersöker en mindre studerad strategi för att erhålla inflytande: privat reglering, definierad som frivilliga insatser från företag för att begränsa sin egen affärsverksamhet. Kontexten för denna avhandling är den finska social- och hälsovården och mera specifikt: de finska äldreomsorgsföretagens privata reglering inom den privata äldreomsorgen. Vinster inom äldre omsorgen är omtvistat i finska offentliga debatten, något som tyder på marknadsmotvilja, definierad som en situation där det finns villiga leverantörer och efterfrågare av viss transaktion, men en motvilja mot dessa transaktioner från andra begränsar eller till och med stoppar transaktionerna. Avhandlingen hypotetiserar således att äldreomsorgsföretag kan använda privata regleringsinitiativ som en politisk strategi för att minska marknadsmotviljan och således förebygga strängare statsreglering som skulle förhindra vinstdriven äldreomsorg.</p> <p>För att pröva denna hypotes organiserades ett enkätexperiment där universitetsstuderanden och unga yrkesverksamma deltog. Experimentet visade att respondenterna reagerade på företagets privata regleringsinitiativ. När respondenterna tillfrågades om vinster bör tillåtas inom äldreomsorgen var de mer benägna att tillåta vinster efter att de tagit del av det privata regleringsinitiativet. Samma dynamik påvisades också när respondenterna utvärderade huruvida företag ska självständigt få bestämma minimikravet på antalet personal per äldre. Dessutom hade respondenterna mer tillit för att äldreomsorgsföretag prioriterar de äldres hälsa framför vinsten efter att de hade tagit del av det privata regleringsinitiativet.</p> <p>Resultaten i denna avhandling har potentiellt betydelsefulla samhällsliga implikationer, särskilt beträffande den privata social- och hälsovårdssektorns påverkan på offentlig social- och hälsovårdspolitik. Privat reglering är en politisk strategi som företag kan använda för att minska kraven på sträng statsreglering. Dessutom tyder resultaten på att företag inte behöver använda allt för mycket resurser för att minska efterfrågan på reglering. Resultaten tyder dock också på att det finns en efterfrågan bland allmänheten för mer socialt ansvariga företag. Till och med de till vänster är villiga att belöna företag som påvisar självreglering med större friheter och ökad legitimitet. Denna aspekt skulle kunna leda till att företag accepterar en mera och samhällsligt förankrad affärsverksamhet som bygger på socialt ansvar framför vinstmaximering.</p>	
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1 INTRODUCTION

In August 2019, CEOs from 181 of the world's largest companies issued a joint statement as part of the Business Roundtable (BRT) lobbying group. The statement read that the purpose of corporations is not just to maximize-shareholder value, but "to create value for all stakeholders" (Winston, 2019). It is noteworthy that the view of serving shareholders primarily had not changed since 1997 (Winston, 2019).

Why are firms so eager to take greater responsibility for social issues beyond the scope of their shareholders? If we diverge from the trending notion that capitalism is broken due to negative externalities for the environment, and the inequality that it produces, a view held by among others the notorious Wall-Street investor and billionaire Ray Dalio (Clifford, 2019), might there be some other explanation? The 23rd Annual Global CEO Survey conducted by the accountancy and consulting firm PwC (PricewaterhouseCoopers International Limited) might provide a clue. The survey asked 1581 global CEOs what they considered the top 15 threats to their business in 2020. The much-discussed climate change and environmental damage come at a modest eleventh place, and pandemics, such as the disruptive COVID-19 virus, is not even on the list (PwC, 2020: 13). What is the top one threat? It is *Over-regulation* (PwC, 2020: 13).

A (healthy) cynic might suggest that firms engage in socially responsible activity in order to avoid strict government regulation – research supports this view. Firms engage in *private regulation*, that is, firms voluntarily go beyond the requirements of existing law in restricting their business operation (Potoski & Prakash, 2005; Prakash, 2000a; Prakash & Potoski, 2006; Vogel, 2005; 2008) and some suggest that they can use this *over complying* as a political strategy to prevent new harsh regulation (Malhotra, Monin & Tomz, 2019; Mikler, 2018: 118). Mikler (2018: 103) sees a wider trend where firms engage in discourse and strategies that intend to infuse trust and legitimacy to their business operation in the eyes of government and the public.

Now, one might assume that private regulation is more widely utilized by firms in markets, where the risk of strict government regulation looms large. How do we know which markets face the risk of regulation? One way of approaching this question is through the concept of market repugnance, meaningfully operationalized by Alvin E. Roth (2007). Roth (2007:40) ascribes market repugnance to a situation where there might be willing suppliers and demanders of certain transactions, but an aversion to

those transactions by others restrain or even stop the transactions. Roth (2007:40) conclude that more mildly repugnant transactions can be referred to as distasteful, inappropriate, unfair, undignified etc.

Consequently, Roth (2007: 39) asserts that attitudes regarding the unsuitability of certain kinds of monetary transactions are a real constraint on markets and that there are plenty of societal domains where we are hesitant to welcome market logic, a logic that firms abide by. Roth (2007: 39) provides a number of examples of societal domains in which markets transactions are now, or were at one point, considered repugnant: They range from indentured, servitude, slavery, adoption, to horse and dog meat (to name a few). Roth (2007: 50) emphasize that repugnance often leads to some sort of government regulation of the transaction, of which the ultimate form is deeming the market activity unlawful. Roth noticed the pervasive effects of market repugnance when working to solve the shortage of kidney donors in the United States (Roth, Sönmez and Ünver, 2004). Roth and his colleagues agreed that market logic was not a practical alternative in alleviating the shortage due to the perceived repugnance of such market. The experience brought Roth (2007) to call for academics and practitioners to gain a deeper understanding of market repugnance since perceptions of repugnance towards different transactions forms whole markets and the choices consumers have.

1.1 Problem area

Albeit far away from the American cultural context, where research suggests that market repugnance is prevalent in specific markets such as markets for human kidneys (Roth, 2007), experimental evidence suggests that Finnish users of social- and healthcare services (SHCS) perceive firms to be incapable to convey the public's values of how access to SHCS ought to be organized (Kurki, 2020). Finnish SHCS-firms also undergo trust issues among potential users to the extent that it could amount to market failure (Kurki, 2020). Moreover, some observers view Finnish SHCS as a market where harsh regulation looms large. Finnish politicians are not necessarily agreeable with too sizable profits in the SHCS-market, even though private firms would increase efficiency (Taloustaito, 2017). This could lead firms to engage in strategic behavior and short-term profit-maximization before the market becomes overly regulated by the Finnish government

(Taloustaito, 2017). Political stability could decrease margins and result in actors entering the market who might settle for lower profit margins (Taloustaito, 2017).

A telling example of this political risk is the collapsing of the Social- and Healthcare Services-reform (in Finnish, Sosiaali ja Terveyspalvelu- uudistus, SOTE) in the spring of 2019. The reform, which has been in the making for several years, would have expanded the market substantially for private SHCS firms (Tevameri, 2017: 7). Nonetheless, the reform failed after the independent constitutional law committee statements vetoed the SOTE-bill as unconstitutional (Steenroos, 2019). The bill did not allegedly secure access of care in all circumstances (Steenroos, 2019). As a result, the committee announced in March 2019 that the committee would no longer treat the current bill (Steenroos, 2019). This immediately led to the resignation of the Sipilä-administration on the basis that the long-awaited SOTE-reform had failed (Strömberg et al. 2019).

Fueling to the instability of Finnish SHCS, there have been a number of controversies concerning specific types of social-and healthcare services, namely malpractice in *elderly care* mainly due to understaffing at two leading private SHCS providers Esperi Care (Kaakinen, 2020) and Attendo (Hirvonen and Hanhinen, 2019). The malpractice accusations towards firms providing elderly care have indeed resulted in harsher government regulation, and more specifically, to a law mandated increase in staffing (Tolkki, 2019). The new law, which has a four-year transition period, changes the number of nurses per elderly from the minimum of 0.5 nurses per elderly person to the minimum of 0.7 nurses per elderly person (Tolkki, 2019). Moreover, the apparent negligence of Esperi Care led to a rare government enforced shutdown of one of the firm's facilities (Kaakinen, 2019). Shortly after, the same happened to one of Attendo's locations (Karkkola, 2019).

How have firms responded to the criticism and consequent regulation? Initially, it is important to point out that government regulation, which forces firms to carry a higher number of employees than firms are independently willing to hire, raises the firm's costs, and hence lowering the profit margin. Indeed, when regulators, in the aftermath of the forced location shutdown, demanded Attendo to increase staffing in their elderly care facilities in the beginning of 2019, the firm reported losses in the millions in its second quarter due to increased employment costs (MTV Uutiset, 2019). Therefore, one might assume that elderly care firms are more or less, eager to protect their industry from more stringent government regulation, assumedly powered by some version of market repugnance. One potential strategy is to try to convince policymakers and citizens about

the necessity of a market, where private actors operate, with as many degrees of freedom as possible, to enable desired welfare outcomes despite some unwanted misfortunes. A hefty body of research has explored how business influences policymaking through lobbying (for an overview, see Drutman, 2015). Another strategy could be an attentively dispositioned apology that seeks goodwill (Benoit and Drew, 1997; Coombs and Holladay, 2008).

Now, SCHS firms have responded to controversy in various ways. After an initial period of denial, the CEO of Esperi Care resigned after admitting that the firm was too fixated on growth and profitability in its elderly care business, to the extent that the wellbeing of customers and employees was compromised (Räisänen and Ovaskainen, 2019). Attendo has sought to gain lower staffing requirements in its elderly care business through legal action by motioning complaints to the Supreme Administrative Court (Incoronato, 2019). Mehiläinen, another large SHCS firm, has sought to influence policy by advocating stricter regulation in elderly care staffing, as long as prices can climb as well, essentially keeping profit-margins intact (Gråsten, 2019).

Another strategy that firms have applied is to highlight that they, in fact, already carry a larger staff than government regulation dictates, and that they are engaged in stringent internal quality control (Saari, 2018; Huuhtanen, 2019). For an observant reader, this might sound a lot like private regulation claims. However, does it actually persuade the public? Prior research (in an U.S. context) has recognised the persuasive impact of political parties (Bullock, 2011), politicians (Carmines and Kuklinski, 1990), the media (Iyengar and Kinder, 1987) advocacy groups (Arceneaux and Kolodny, 2009), and courts (Bartels and Mutz, 2009) to citizens preference formation. What about firms?

It is conceivable that the regulators and the public could see past these claims and perceive them as just a way of avoiding any material enforceable rules that mandates even more staffing. Critically skewed observers might think that firms hide something and that the staffing requirements should in fact be much higher than what they are now – regulators and the public just do not know that yet since firms, doing more than they need, are gaining sympathetic attention. However, perhaps more likely, due to an uninformed and unengaged public, observers might not even recognize any difference, making private regulation initiatives (PRI) or rhetoric pointless.

Partly refuting any suspicions, experimental research conducted by Malhotra, Monin and Tomz (2019) shows that firms can use minute private regulations as a political non-

market strategy to prevent more strict government regulation in the environmental domain. Nevertheless, could it really apply to Finnish SHCS context? Skeptically intrigued by the research conducted by Malhotra, Monin and Tomz (2019), this thesis intends to investigate if private regulation could be a strategy that firms could use to alleviate the political risk by altering the preferences of citizens. Unlike Malhotra, Monin and Tomz (2019), the preferences, in the context of this thesis, refer to the demand for stricter government regulation of business that occurs in Finnish SHCS and more specifically: elderly care. The discussion held in this section enables us to formulate the following research question: Does the private regulation of Finnish SHCS-firms prevent demand for stringent government regulation in private elderly care? Or does the private regulation, as one might expect in a Finnish context, have no impact at all in decreasing calls for stringent government regulation?

1.2 Study purpose

This thesis has three main purposes and a number of sub-purposes. The first main purpose is to examine whether the Finnish public is susceptible to lessening their demands for stringently regulating SHCS-firms, that operate in elderly care, when exposed to a hypothetical private regulation initiative (PRI) undertaken by the firm. The second main purpose is to examine whether the same initiative cause the public to entrust firms to self-regulate their business without government intervention. The third purpose is to examine if the PRI can strengthen the perception among the public that firms providing elderly care prioritize the well-being of the elderly over profits.

The sub-purposes relate to an aspiration to contribute to the theoretical understanding of the linkage between private regulation and market repugnance. Initially, it is plausible that the concepts of private regulation and market repugnance are unfamiliar amongst some political scientists. Due to being published in the cross-disciplinary journal of *Political Psychology*, the same circumstance may very well apply to the Fiske and Tetlock's (1997) taboo-tradeoff framework. Hence, the first sub-purpose of this thesis is to familiarize the reader with private regulation, market repugnance and the taboo-tradeoff framework. Subsequently, the second sub-purpose is to connect the three concepts to form a coherent understanding of the role that private regulation could play in mitigating market repugnance, and hence, the political risk of government regulation.

1.3 Summary and outline of the thesis

This section briefly summarizes the introductory chapter and sets the outline of the rest of the thesis. The introductory section began by laying out a picture of firms, greatly worried about over regulation, engaging in private regulation in order to avoid stringent government regulation. As we remember, *private regulation* can be defined as a situation where firms voluntarily go beyond the requirements of existing law in restricting their business operation (Potoski & Prakash, 2005; Prakash, 2000a; Prakash & Potoski, 2006; Vogel, 2005; 2008). Research suggests that private regulation initiatives can preempt stringent government regulation (Malhotra, Monin & Tomz, 2019).

Next, the assumption was made that private regulation might be particularly prevalent in markets where the risk of harsh government regulation looms large. Roth (2007) assert that reason behind government regulation is often *market repugnance*, defined as “a situation where there might be willing suppliers and demanders of certain transactions, but an aversion to those transactions by others restrain or even stop the transactions” (Roth, 2007: 40). In order to gain a deeper understanding of why there is aversion towards certain market activity, Roth (2007: 40) refers us to Fiske and Tetlock’s (1997) *taboo-tradeoff framework*, which lay out the social and psychological dynamics that give rise to market repugnance and the rational for why private regulation might decrease repugnance towards markets such as Finnish elderly care.

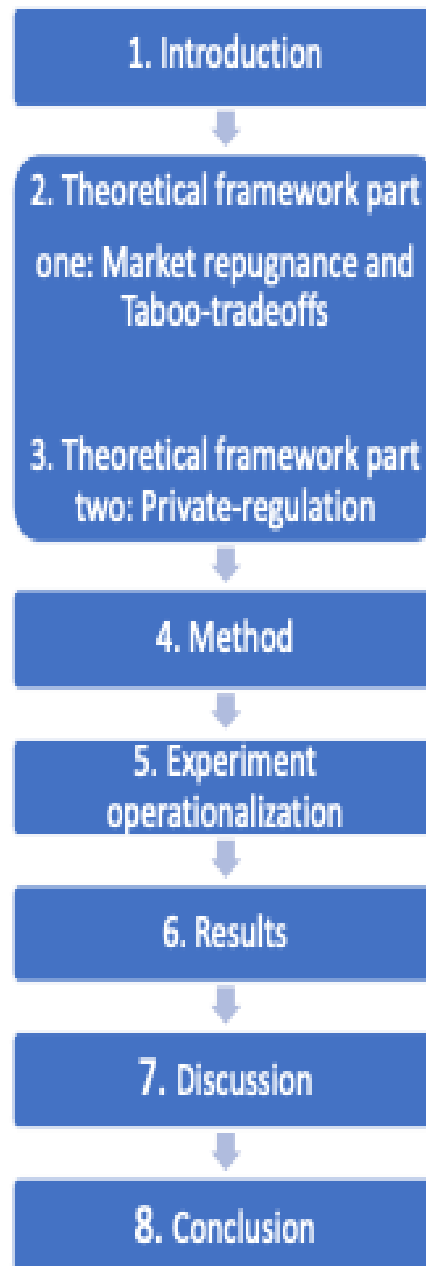
Now, since earlier experimental research suggests that private regulation can preempt stringent government regulation in the environmental domain (Malhotra, Monin & Tomz, 2019), could private regulation be able to reduce the public perception of market repugnance in markets that are considered, more or less, repugnant and hence lessen the risk of stringent regulation? In order to engage with this question, I turned to the Finnish *social-and healthcare services* (SHCS) where business operation in *elderly care* has raised public debate. Hence, this thesis brings forth the research question: does private regulation of Finnish elderly care firms prevents public calls for stringent government regulation?

The outline of the rest of the thesis is depicted in figure 1. The next chapters involve theoretical framework divided into two parts, method description, experiment operationalization, results, discussion and conclusions. The notion that the theoretical

framework is divided into two chapters: chapter two and three; is somewhat unconventional for a thesis format but there are clear reasons for this. I argue that the understanding and operationalization private regulation require a multidisciplinary approach in order to gain a deeper and more robust understanding of private regulation in markets that face repugnance attitudes. This multidisciplinary approach involves the linkage of the literature on private regulation, market repugnance with political psychology theory on taboo-tradeoffs.

Chapter four focuses on the experimental research method, namely its validity and how to conduct it in practice. Chapter five presents how the empirical experiment conducted in this thesis is operationalized. Chapter six presents the quantitative results of the experiment. Chapter seven engages with the results and discuss what insight the results might provide to our understanding of private regulation and such initiatives impact on demand for government regulation and trust for firms. Finally, chapter eight brings forth the key conclusions of the thesis.

Figure 1 **Outline of the thesis**



2 THEORETICAL FRAMEWORK PART ONE: MARKET REPUGNANCE AND TABOO-TRADEOFFS

The theoretical approach that enables us to engage with the research theme of private regulation in markets that suffer from market repugnance is twofold. First, I argue that it is helpful to discuss the dynamics of market repugnance and provide examples of repugnant markets found in the literature. Next, the Fiske and Tetlock's (1997) taboo-tradeoff framework is connected to the theoretical discussion on market repugnance. The taboo-tradeoff framework allows us to operationalize market repugnance further and to highlight the psychological effects that cause market repugnance.

2.1 Market repugnance

As touched upon in the introductory section, Roth (2007: 40) ascribes market repugnance to a situation where there might be willing suppliers and demanders of certain transactions, but an aversion to those transactions by others restrain or even stop the transactions. Roth noticed the pervasive effects of market repugnance when working to solve the shortage of kidney donors in the United States (Roth, Sönmez and Ünver, 2004). Roth and his colleagues agreed that the market logic was not a practical alternative in alleviating the shortage due to the perceived repugnance of such market. The experience resulted in Roth (2007) calling for academics and practitioners to gain a deeper understanding of market repugnance since perceptions of repugnance towards different transactions form's whole markets and the choices consumers have.

As a result of this new understanding, Roth (2007: 39) asserts that attitudes regarding the inappropriateness of certain kinds of monetary transactions are a true constraint on markets, and that there are plenty of societal domains where we question the suitability of market logic, a logic that firms abide by. However, Roth (2007: 40) assert that repugnance can take more mildly forms in which case transactions can be referred to as "distasteful", "inappropriate", "unfair", "undignified" etc. Khalil and Marciano (2018: 111) call for a clear distinction between repugnance and distastefulness disapproving academic indifference. Khalil and Marciano (2018: 112) argue that two features determine the level of repugnance of a transaction: (1) The true intention of the actor and

(2) The context of the transaction. When an individual evaluates if a transaction is tasteful or distasteful it is a judgment about the context of the transaction and more specifically if the “declared intention,” match the “true intention” (Khalil and Marciano, 2018: 115). Khalil and Marciano (2018: 115) provide an example of this logic by asking us to assume a kidney transaction where a parent sells his or her kidney in order to pay his or her child’s medical bills. Khalil and Marciano (2018: 115) argue that this alters the perception of the kidney transaction and lowers the perceived repugnance. Shantz et al., (2019: 1261) provides another avenue through which one might approach market repugnance by operationalizing “stigmatized markets“ in the context of market entry for firms. Shantz et al., (2019: 1261) stresses that firms are negatively labelled and diminished by stakeholders in stigmatized markets in ways that discredit the entrée.

Now, this thesis will utilize the term *market repugnance* when operationalizing any negative locus, such as opposition, distaste or stigma, towards the application of market forces to a particular domain. With this in mind, we find numerous transactions that are, or were once, repugnant as well as considered distasteful by some. They range from indentured servitude, slavery, adoption to horse and dog meat (to name a few) Roth (2007: 39). Sandel (2013) notices that market logic is applied to many societal domains today, which were previously organized publicly by the government or non-governmental organizations, posing moral questions for our modern societies (Sandler, 2013). Now, particularly interesting for our purposes, Roth (2007) emphasize that repugnance often leads to some type of government regulation of the transaction, of which, the most stringent form is deeming the market activity unlawful.

2.1.1 Examples of repugnant markets

This section provides examples of markets, brought to light by Roth (2007), which have had to grapple with market repugnance. Albeit most of the cases being from an American cultural context, I argue that they illustrate the logic of constraint that market repugnance poses in Finnish SHCS.

An example of a market that was once feasible, but which now holds a rigid repugnance consensus is the market for slaves. Until the practice was banned 1865 by the 13th amendment to the U.S. Constitution, the United States was (among other historic civilizations) a lively marketplace for slaves. This amendment got a wider juridical interpretation since it applied to the indentured servitude, which is considered repugnant today (Roth, 2007: 38). Much similar to slavery, indentured servitude was

once widely used in the society and was for example a customary way for Europeans to get passage to America (Galenson, 1981 cited in Roth 2007: 39). However, the pendulum can go both ways. A transaction once viewed as repugnant can be later determined unrepugnant. One example is the borrowing capital for interest. This practice was once broadly repugnant but is no longer is in most places (Roth, 2007: 39).

There can be multiple reasons why a certain transaction can be considered repugnant, and they are not perhaps always the most evident. For instance, appointing mercenaries was once a customary way of gathering troops for combat (Roth, 2007: 40). However, mercenaries are not used to the same extent anymore, with the exception of some private “security services training companies” such as Blackwater (Scahill, 2008). Roth (2007: 40) state that one could assume that the repugnance would have to do with the fact that the hired soldiers kill for pay. Roth (2007: 40) see repugnant attitudes as an indication that state-sanctioned duty or patriotism is the real reason.

Roth (2007: 40) note that when markets are prohibited or restricted, repugnance plays a vital role, and these can spur from the combination of intrinsic repugnance of the actual transaction as well as the perceived negative externalities. Roth (2007: 41) provides an example through the 18th amendment to the Constitution known as “Prohibition” banned the sale of alcohol in United States 1920-1933. When considering alcohol and its addictive nature one should not only consider plausible externalities but also hold reservations to whether the parties of the transaction are “willing” in the sense that one usually mean when discussing voluntary transactions (Roth, 2007: 41).

2.2 Market repugnance from a taboo-tradeoff perspective

In order to gain a deeper understanding of market repugnance, Roth (2007: 40) refers us to the political psychology framework of Fiske and Tetlock (1997). Fiske and Tetlock (1997) operationalize the passing of activities that are typically allocated through a non-market logic to the market as “taboo tradeoffs between different spheres of justice”—from now on the “taboo-tradeoff framework”. By a taboo trade-off Fiske and Tetlock (1997: 256) mean ...”any explicit mental comparison or social transaction that violates deeply-held normative intuitions about the integrity, even sanctity, of certain forms of relationship and of the moral-political values that derive from those relationship”.... The

taboo-tradeoffs framework is based on two existing theories– Fiske’s relational theory (1992) and Tetlock’s value pluralism model (1986).

2.2.1 Relational models theory

The relational model’s theory classifies human social interaction into four relational models that we use to organize, evaluate, and coordinate all social interactions. These relationships and their implementation rules serve as guiding principles and have a profound effect on human behaviour (Fiske, 1992: 690). As noted by Roth (2007: 40) the four relational models and in-between trade-offs, can help us to apprehend the political psychology of market repugnance and why private regulation might pre-empt it. The relational models are communal sharing (CS), equality matching (EM), authority ranking (AR) and market pricing (MP) (Fiske and Tetlock, 1997: 258). This section will briefly discuss them.

Communal sharing splits social relationships into discrete equivalence classes, allowing disparity and difference between relationships, but no numerical comparison is utilized. Fiske and Tetlock (1997: 258) exemplifies the dynamics of CS through a community where citizens have a share in benefits such as national defense and police protection or resources such as national parks and clean air, regardless of their standing in the community. Within the CS relationships, people give as they can and take, as they need (Fiske, 1992: 693). The flipside is that individuals determined as non-community may be excluded completely from the benefits and resources (Fiske and Tetlock, 1997: 258). One might argue that Finnish elderly care is primarily governed by the relational model of communal sharing as care is principally offered according to need to every elder citizen.

Equality matching defines socially meaningful intervals that can be added or subtracted to make valid choices. Fiske and Tetlock (1997: 258) exemplifies the dynamics of EM through an (all too common) occurrence in international conflict where state A decide to bomb the military troops of State B in a tit-for-tat retaliation for state B sponsorship of the bombing of a State A troops. Another example of EM, that Fiske (1992: 691) provide, is a carpool among work colleagues in which tit-for-tat reciprocity is an overriding exchange norm regulating the offering and receiving of car rides. The rational in both scenarios is that each individual or party is permitted to the same amount as each other party in the interaction, and that any imbalance is significant (Fiske, 1992: 691).

Authority ranking forms an ordinal ranking among individuals or social goods, thus permitting lexical decision rules. Fiske and Tetlock (1997: 258) exemplifies the dynamics of AR through a government policy, which give veterans or minorities priority in access to government jobs. Another illustrative example, that Fiske and Tetlock (1997: 258) provides, is the tendency of federal laws to have a precedence over regional and local municipality laws. AR has been legitimated many times in political philosophy and political science. Several political scientists have posited arguments for the legitimacy and evidence for the necessity of the coercive powers of state authority (Fiske, 1992: 701). In the context of Finnish SHCS, the system is managed and controlled by the government, which thus holds an AR position.

Market Pricing is a social arrangement that makes ratios meaningful, and in so doing, enables decision-making that combine quantities and values of diverse entities. Fiske and Tetlock (1997: 258) note that by applying MP, governments can formulate a budget that unambiguously weighs rival priorities against each other. Further, Fiske and Tetlock (1997: 258) assert that MP enable us to select an investment portfolio that maximizes returns or a business strategy that maximizes profits. The rationale for these sorts of decisions is based on ratios like budget deficit as percentage of GDP, or price/earnings comparisons (Fiske and Tetlock, 1997: 258). By thinking in terms of prices, or returns on investment, or other costs-benefit ratios, one participates in the market economy (Fiske, 1992, p. 707). Consequently, it is safe to say that private social – and healthcare firms are primarily governed by the market pricing in their quest for profits.

2.2.2 Implementation rules of relational models

the Taboo-tradeoff framework is an illustrative framework for elementary social procedures: moral judgment, ideology and decision-making (Fiske and Tetlock, 1997: 258). Consequently, research support the notion that humans actually view their social relationships through the four models posited, and the models guide human behaviour in all social circumstances (Fiske and Haslam, 1996). Nevertheless, even though the models are rather distinct, there is no information embedded in the models regarding how and where in society the models ought to be applied.

To solve this puzzle, Fiske and Tetlock (1997: 259) assert that *implementation rules* are needed to help us specify how, to whom and when each of the four models apply. Fiske and Tetlock, (1997: 259) acknowledge that our culture, and the social norms that it entails, feed us with a large portion of the implementation rules. But Fiske and Tetlock,

(1997: 259) stress that this process is not static –rules change as society changes. Societal change causes confusion and conflict regarding what model to apply to the novel domain (Fiske and Tetlock, 1997: 259). This logic applies well to Finnish social-and healthcare, which has seen a fast increase in private sector provision of SHCS, such as elderly care, in the aftermath of the Finnish recession in the 90s.

A forceful political debate concerning implementation rules is often ongoing, in which some domains receive more political attention, and others are taken for granted (Fiske and Tetlock, 1997: 259). For instance, Fiske and Tetlocks (1997: 259) assert that is quite common in many cultures that a fellow being should be treated through a communal sharing principle of sympathy, and that we have some duty to protect them from harm. To the contrary, Fiske and Tetlock (1997: 259) note that there is polarized political debate on whether a cow or two mount-old fetuses is a “fellow being”. Returning to Finnish SHCS, the society is left with the following political question: should MP govern the provision of elderly care and other forms of SHCS? As mention earlier, there is aversion for some to apply MP to SHCS whilst others might not see any issues.

How do people then select which relational model to apply to a certain domain? According to Fiske and Tetlock (1997: 261), the selection process is a result of political debate and cognitive thought, about which model, or set of models, to choose. This political deliberation amounts into a few ideological alternatives, traditionally on the left-right spectrum (Fiske and Tetlock: 261). However, if there are no consensual, common sense cultural guidelines, people can face painful and confusing trade-offs (Fiske and Tetlock: 284). To further complicate things, Fiske and Tetlock (1997: 282) note that even though the four relational models are distinct from each other, it is possible to apply more than one relational model into a relationship resulting in a range of combination possibilities. Tetlock and McGraw (2005: 3) provides an illustrative example of a team of business associates who, in accordance with an EM relationship, provide each other rides to work and then share profits from their enterprise in rigid MP fashion. Later that evening the business partners rejoice at one of the partner’s family in an exhibit of CS.

Kurki (2020) arguably demonstrated the confusion caused by the lack of consensual, common sense cultural guidelines in an experiment, in which subjects were asked to evaluate two trade-off questions concerning how access to SHCS for citizens ought to be organized. The first question did not mention that firms were providing the SHCS, but the second question did just that. Each question posed four statements and each

statement was constructed using one of the four relational models, so that subjects faced a trade-off between CS, EM, AR and MP. Subjects revealed their preferences by allocating a fixed number of tokens in a way they preferred, as long as all tokens were allocated. The results showed that subjects, initially, preferred access to SCHS to be organised around CS and AR. However, when the subsequent question mentioned firm provision of SHCS, subjects could not make up their mind which relational model/s, ought to prevail when access to SHCS is determined (Kurki, 2020). The results suggest that the entering of firms to the arena of SHCS creates trade-offs that cause cognitive and emotional confusion and perhaps distress.

2.2.3 Transgression and trade-offs between relational models

This section doubles down on the potential confusion and distress that emerge among people when relational model transgresses to a societal domain with different implementation rules. Fiske and Tetlock (1997: 277-278) maintain that moving from one relational model to another imposes trade-offs that are often difficult to make if the domain is determined to fit the roam of a different relational model. This transgression can make people, more or less, upset, nervous and lead to struggles to act when confronted with overt choices among contrasting values (Fiske and Tetlock, 1997: 277).

To help us understand the notion of transgression between relational models, Fisk and Tetlock (1997: 267) asks us to imagine a scenario where a parent would form a nursing contract with the child where a fee of \$30/hour + compounding interest, would be payed to the parent when the child turns 21 years. Fiske and Tetlock (1997: 267-268) posit that the transaction would certainly be viewed as more or less bizarre and debunk institutional norms of maternal love. The care one receives in CS relationships should not be dependent on anything the receiver can give in return (Fiske and Tetlock, 1997: 268). That is a CS relationship turned into MP causing more or less confusion.

The next examples refer to situation where other relational models transgress into EM relationships. Fiske and Tetlock (1997: 268) ask us to imagine a scenario where person A is part of a car pool together with two colleagues B and C. A has driven five times and B and C have both driven three times. Fiske and Tetlock (1997: 268) acknowledge that it is rather simple to determine that the B and C have to each drive two times in order to reach equilibrium. However, if B purchases a new expensive car and alleges that instead of driving every fifth day B will only drive every eight-day due to the elevated level of

comfort. Now, calculating the equilibrium becomes more difficult according to Fiske and Tetlock (1997: 268). Questions arise whether the ride actually is worth $8/5$ of any of the other car rides (Fiske and Tetlock, 1997: 268). These are, according to Fiske and Tetlock (1997: 268) ratio aspects, which mean that they are difficult to answer through an EM model. Comparable concerns appear when we are faced with trade-offs between two or more distinct spheres of EM (Fiske and Tetlock, 1997: 268). Fiske and Tetlock (1997: 268) ask us to extend our carpool to include a baby-sitting pool and picture a situation where B and C owe three rides and A owe them three baby-sittings (Fiske and Tetlock, 1997: 268). Fiske and Tetlock (1997: 268) note that in the case that any of the three actors were to move out from the neighbourhood the next day, equilibrium would be difficult to reach applying only EM.

A transgression in AR can be costly. Fiske and Tetlock (1997: 269) give us an example from the military where a hypothetical recruit is letting the sergeant know that the recruit will not engage in physical training due to the future prospect of being assigned to computer maintenance. Instead of considering the argument, the sergeant would most likely take disciplinary measures towards the recruit (Fiske and Tetlock, 1997: 269). Despite not exemplified by Fiske and Tetlock (1997), it is not difficult to picture how a relationship built on MP could be transgressed. One simply has to envision an individual waling in to a convenience store and ask if one could just take a certain item with the CS justification that "I am in a desperate need of it".

For the purposes of this thesis regarding regulation, if the public perceive that MP it allowed operate unrestrained it produces market repugnance. In such a situation there may be calls for AR solutions such as governmental regulation (Fiske & Tetlock, 1997: 288).

2.2.4 Scheme of relational model transgressions

The above-mentioned examples of transgressions cause more or less distress or ambiguity. The intensity of these emotions depends on the individual, context and culture (Fiske and Tetlock, 1997: 278). However, Fiske and Tetlock (1997: 278) generalize that society and other social systems evolves through a CS -> EM -> AR -> MP scheme, depicted in figure 2. This fits well with the notion that developed and industrialized societies utilize market forces in more and more societal domains (Sandels, 2013).

Figure 2 Fiske and Tetlock's (1997) Scheme of relational models



Nevertheless, Fiske and Tetlock (1997: 279) view the scheme of relational models practical in visualizing the notion that trade-offs between CS and MP are the tabooest to make. This is due to CS and MP being the furthest from each other on the relational model's scale (Fiske and Tetlock, 1997: 279). There are "three steps" of trade-offs between CS and MP compared to only one between CS and EM and two between CS and AR (Fiske and Tetlock, 1997: 279). For example, as Fiske and Tetlock (1997) mentioned earlier, many cultures consider CS to be the primary relational model that should govern interaction between fellow citizens in their most intimate spheres like their bodies, sexuality and their most basic needs. Application of MP in these domains is very likely to be viewed as repugnant.

As we know by now, many just feel that paying for someone's kidney or sex is repugnant (Roth, 2007). Now, Fiske and Tetlock (1997: 278) asks us to consider someone willing to trade his eye for your kidney or provide a professional service for sex according to EM. These transactions are as well repugnant since Western cultural context considers them being in the domain of CS. This example can be viewed as distasteful or repugnant but going from CS to EM seem less repugnant than the "three steps" from CS to MP (Fiske and Tetlock, 1997: 279).

For the purposes of this thesis, the notion that the implementation rules for elderly care and private elderly care firms are CS and MP, suggest that there ought to be quite a lot of market repugnance involved- "one shouldn't simply profit on helpless elders".

2.3 Summary

The theoretical section part 1 showed that market repugnance is a real constraint on markets (Roth, 2007) and when being too intense, market repugnance can result in strict government regulation or even forbidding the market completely (Roth, 2007). Relating market repugnance to Fiske and Tetlocks (1997) Taboo-tradeoff framework, it suggests that human relationships are constructed around four distinct relational models: Communal sharing; Equality matching; Authority ranking; and Market pricing. Culture and political deliberation provide the implementation rules for which model/s should apply to a particular social relationship or societal domain (Fiske & Tetlock, 1997). When a transgression occurs, a specific model, say, market pricing, is applied to a setting where a differing relational model's scheme is preferred, CS and AR for example, the result is a varying degree of negative emotions, ambiguity and cognitive distress (Fiske & Tetlock, 1997). Relating this to the broad definition of market repugnance provided by (Roth, 2007) it is rather straightforward to view negative emotions, felt ambiguity and distress as a sign of market repugnance.

3 THEORETICAL FRAMEWORK PART TWO: PRIVATE REGULATION

Assuming that the transgression of MP to a societal domain with different implementation rules causes market repugnance and subsequent government regulation, one might also assume that firms try to reduce market repugnance by influencing policymakers and citizen's perception of market repugnance. As mentioned earlier, lobbying is often utilized to influence policymakers (Drutman, 2015). However, this thesis focuses on how the strategic actions of firms, more specifically private regulation, might alleviate political risk by altering the preferences of the citizens. The preferences, in the context of this thesis, refer to the demand for stricter government regulation of business that occurs in markets suffering from market repugnance, like the Finnish SHCS market.

With these aspects in mind, the theoretical framework part two elaborates on the theoretical aspects of private regulation and the past research conducted on the topic. As this thesis has connected market repugnance with the taboo-tradeoff framework, the theoretical framework part two also applies the taboo-tradeoff framework to private regulation and its alleged ability to preempt government regulation. The taboo-tradeoff framework, I argue, enables us to create a robust and shared theoretical link between market repugnance and private regulation.

3.1 Private regulation

As previously mentioned, private regulation can be defined as a situation where the firm voluntarily goes beyond the requirements of existing law in restricting their business operation (Potoski & Prakash, 2005; Prakash, 2000a; Prakash & Potoski, 2006; Vogel, 2005; 2008). This might include firm operations by cutting back on how much pollution they are omitting or the development of green products that are not required by government regulation (Malhotra, Monin & Tomz, 2019). Furthermore, firms can engage in private regulation individually or coordinate with other firms in their market (Malhotra, Monin & Tomz, 2019).

Research suggests that private regulation is a way of *over complying* with existing government regulations, which can be used as a strategy to prevent new regulation, avoid rigid enforcement, appease critical interest groups, and stop public protests (Baron 2014; Fooks et al. 2013; Kinderman 2012; Lyon and Maxwell 2004; Maxwell, Lyon, and Hackett, 2000; Werner, 2012). This logic imply that firms can persuade key actors in the policymaking process, that is, government officials, interest groups, and the mass public, from calling for stricter regulation (Malhotra, Monin & Tomz, 2019).

Prakash (2000b) exemplifies private regulation in action through the Chemical Manufacturers Association (CMA), who introduced the Community Awareness and Emergency Responses Program. The program was launched in the aftermath of a series of gas leaks by Union Carbide, an American chemical corporation, and its plants in Bhopal, India, in 1984 and Institute, United States in 1985 (Prakash, 2000b). The voluntary program laid out directorial principles and codes of conduct about chemical safety and in so doing might have preempted the government from imposing stricter regulation on the chemical industry according to Prakash (2000b).

Another example of private regulation detected by Delmas and Montes-Sancho (2010) is the 1995 German Declaration on Global Warming Prevention, through which BDI, an alliance of German industries, voluntarily committed to decrease CO₂ emissions. The response of the German government was to drop policy plans for an energy tax (Delmas and Montes-Sancho, 2010).

3.1.1 The effect of private regulation on demand for government regulation

To illustrate the plausible impact of private regulation on the demand for government regulation, Malhotra, Monin & Tomz (2019: 21) asks us to envision a one-dimensional policy space with less stringent government regulations on the left side and more restraining government regulations on the right side. Next, they ask us to let p represent a government policy that would significantly rise regulations on firms, relative to the status quo, q . Next, the authors instruct us to assume a firm engaged in a more modest voluntary private regulation, v , such that $q < v < p$ (Malhotra, Monin & Tomz, 2019: 21). The question that then remains is how v influences demand for moving government regulations from q to p (Malhotra, Monin & Tomz, 2019: 21)? The mostly non-empirical research, which has primarily focused on private regulation conducted by firms in the

context of the environment by operationalizing the term *voluntary environmental programs* (VEPs), provides no clear-cut answer.

Regarding the operationalization opted for in prior research, this thesis is not using the VEP operationalization since the focus is on private regulation in the context of Finnish social- and healthcare. Instead, the more generic term *private regulation initiative* (PRI) is used. PRIs could either *decrease*, *increase* or have *no effect* on the demand for strict regulation issued by the government (Malhotra, Monin & Tomz, 2019: 21-22). The subsequent sections present the theoretical propositions behind these three plausible outcomes.

The conventional rationale for why private regulation *decreases* demand for government regulation is the notion that *v* is perceived as a significant move in the direction of *p*, private regulation could reduce support for *p* by convincing people that the problem has been sufficiently solved (Maxwell, Lyon, and Hackett 2000; Glachant 2007; Fleckinger and Galchant 2011). On the same note, citizens may be hesitant to call for harsher regulation when it could demolish the value of the firm's investments in solving a challenge (Malhotra, Monin & Tomz, 2019: 21). Lutz, Lyon, and Maxwell (2000) argue that agile industry leading firms can go beyond status quo regulation and strategically lock in more modest regulation than the government had intended in the first place. Moreover, Gilbert, James and Shogren (2018) suggest that the admittance of liability and the remorse that private regulation signals could lead various stakeholders to exonerate firms loosening their willingness to punishing them.

To this point, private regulation has been portrayed as a way for firms to preempt unwanted government regulation. However, some scholars suggests that private regulation could *increase* demand for regulation. They say that policymakers could perceive the firm's private regulation as a signal that there is an actual problem at hand and that firms can financially cope with behaving more responsibly (Arora and Gangopadhyay, 1995: 291; Denicolo, 2008). Bendor et al. (2011) suggest that private regulation might elevate the ambition of critical interest groups. Assuming this is true, Urpelainen, (2011) propose the somewhat counter intuitive logic that firms can utilize private regulation to willingly promote stiffer regulation. Calling for stiffer regulation is a strategy that might especially benefit large firms that aspire to be forerunners in socially responsibility; it imposes regulation on socially idle firms against their will (Barret, 1991; Denicolo, 2008). Finally, research submit that firms engaged in private regulation could be seen as "soft targets" for interest groups that demand stiff

government regulation in that particular societal domain (Baron and Diermeier 2007; Baron, Harjoto, and Jo, 2011; King and McDonnell 2015). Malhotra, Monin and Tomz, (2019: 21) conclude that if the number of firms within a specific sector engage in private regulation is large, it is likely that the entire sector is viewed as a soft target.

Finally, despite the extensive theoretical proposition that suggests that private regulation has a tangible effect on demand for strict government regulation – either a decreasing or an increasing effect – one should consider the possibility that there is *no effect* at all. Malhotra, Monin and Tomz, (2019: 21) argue that there could remain a disbelief among interest groups about the firms promises to actually launch PRIs and then uphold them even if market conditions become more difficult. Private regulation, particularly in the environmental sphere, is seldom binding (Glachant, 2007).

Acknowledging the non-binding characteristic of many PRIs, rational interest groups know that firms can forestall execution, withdraw from their PRI, or restrain their behavior for a time and then return to status quo. This sense of mistrust could add to the doubt about the positive effects of private regulation on welfare (Glachant 2007). Another aspect, often discussed in an environmental context, that might cause private regulation to have no effect, is if observers perceive the PRI as “greenwashing”. Greenwashing means that firms misinform stakeholders about the firm’s environmental efforts or the environmental benefits of products or services (Delmas and Burbano 2011: 64).

Now, even if the PRI is not deemed as empty words, activists frequently call for extreme measures that firms are not prepared to accept voluntarily (Malhotra, Monin and Tomz, 2019: 22). Consequently, Malhotra, Monin and Tomz (2019: 22) assumes that activists are not satisfied with any measures taken by the firm that do not meet their specific demands. Furthermore, even if demand for strict government regulation is lower among citizens and government officials, private regulation may also fail to persuade to alter their opinions. Additionally, in-between firm initiatives might not persuade observers if some call for extremely harsh regulation and others are against any new regulations regardless of voluntary private regulation (Malhotra, Monin and Tomz, 2019: 22).

To conclude on a macro level, Malhotra, Monin and Tomz, (2019: 22) maintain that private regulation can turn out to be insignificant in a politically polarized heterogeneous society where private regulation could increase support for regulation amongst one group while reducing support amongst another group.

3.1.2 The effect of broad and deep private regulation on the demand for government regulation

Assuming private regulation influence demand for government regulation, Malhotra, Monin and Tomz, (2019: 22) argue that *breadth* and *depth* of the private regulation initiative might moderate the effectiveness of the initiative in influencing citizen's demand for government regulation. Malhotra, Monin and Tomz, (2019: 22) define *breadth* as the proportion of firms within a sector that are pursuing voluntary initiatives. *Broad* initiatives include most or all players in an industry, while *narrow* initiatives involve a minor fraction of the firms (Malhotra, Monin & Tomz, 2019: 22). Malhotra, Monin and Tomz (2019: 22) deem the Motion Picture Association of America's film rating system, which make available content information for parents in the absence of overt government rules or censorship, as illustrative example of broad industry-wide private regulation.

The second dimension that Malhotra, Monin and Tomz (2019: 22) discuss is *depth*, which highlight the extent of the voluntary efforts each firm is putting forth. Subsequently, *deep* reforms go beyond existing regulation requirements in a noticeably way, while *shallow* PRIs embody minor shifts from the current state of affairs (Malhotra, Monin & Tomz, 2019: 22).

Based on this framework, Malhotra, Monin and Tomz (2019: 22) expects that calls for government regulation increase more if the PRI is broad and/or deep compared to a narrow and/or shallow line of regulation. Malhotra, Monin and Tomz (2019: 22) see breadth as the most impactful dimension due to the notion that the whole industry usually has to abide by government regulation. Therefore, non-all-encompassing PRIs seem as an objectionable replacement for government introduced regulations (Malhotra, Monin and Tomz, 2019: 22). What's more, if participation is narrow, citizens may fear adverse selection (Malhotra, Monin and Tomz, 2019: 22).

In the context of this thesis, this means that those elderly care firms who carry least staff opt out, while firms that were already employing more nurses, will stay. Finally, participation being narrow, firms may be hesitant to participate in forthcoming PRIs in order to avoid a competitive handicap compared to firms that do not participate (Malhotra, Monin and Tomz, 2019: 22).

3.2 Private regulation in SHCS from a taboo-tradeoffs perspective

This thesis aims to contribute to the theoretical discussion surrounding private regulation through applying Fiske's and Tetlock's (1997) taboo-tradeoffs framework to private regulation, assumedly fueled by worries for market repugnance among the public and regulators. Fiske and Tetlock (1997: 288) assert that if the public perceive that allowing MP to operate unrestrained, then they may often resort to AR solutions of governmental regulation.

Employing this logic to the setting of private regulation in Finnish SHCS; assume that a firm operating in Finnish elderly care engages in private regulation of its business in order to avoid stringent government regulation. The assumed relational scheme is the following: the MP model governs the firm; CS governs child protection; and the government holds an AR position. The fact that a profit-seeking firm governed by MP transgresses into a CS domain like elderly care causes a varying degree of emotional distress and ambiguity, operationalized as market repugnance. Recall that if the transgression and the subsequent market repugnance is too high among observers, there are often calls for regulation or even abolishment (Roth, 2007:40; Fiske and Tetlock, 1997: 288). Given its legitimate AR position, the government can introduce regulation if determined adequate with the right to enforce it. Figure 2 intends to clarify the logic of the setting described.

Figure 3 Relational scheme that displays the position of the SHCS, government and firm



Consequently, what could the firm do in order to avoid regulation? The relational models scheme Fiske and Tetlock (1997: 279) assert that those transgressions furthest from each other on the relational model's scheme being CS and MP, are the tabooest to make due

to CS and MP being the furthest from each other on the relational model's scale. There are "three steps" of trade-offs between CS and MP compared to only one between CS and EM and two between CS and AR (Fiske and Tetlock, 1997: 279).

Acknowledging this scheme, figure 4 suggest that the firm could try to move closer to CS where elderly care resides, that is, move itself to AR so that there are only two steps between the models. In the case of this thesis, an AR position for the firm would be a setting where the firm is perceived by observers as a trustworthy and legitimate authority with the ability to impose its own rules and manage its own externalities, independent from the government. Although not discussed in terms of the taboo-tradeoff framework, Mikler (2018: 103) arrive to a similar conclusion arguing that firms seek to convince governments and their publics about their legitimate authority to regulate their business activity.

Figure 4 Firm engaged in private regulation as a way to gain an Authority ranking position



In addition, a move towards AR would entail a scenario where monetary profit is not the solely purpose of the firm existence. If profit is the only purpose, then MP governs the firm. Now, both aspects fit well into the concept of private regulation. As discussed earlier, private regulation may be utilized by firms in order to signal interest groups that firm can regulate its own business more effectively than the government. Private regulation initiatives also involve the notion (the perception at least) of putting aside the value-maximization for shareholders in favor of other stakeholders, such as the environment, consumers or employees. This is also in line with Mikler's (2018: 103) non-taboo-tradeoff analysis, which suggests that firms construct their legitimate authority around the social good that their business operations enable to take place.

Subsequently, PRIs in Finnish SHCS might enable firms to obtain a legitimate AR position and in so doing lessening the risk of perceived “over-regulation” fueled by market repugnance.

3.3 Prior empirical research

By now, it might have occurred to some readers that the theoretical framework builds around a number of hypothetical assumptions of how different actors might react to private regulation. Depending on who you ask and what assumptions you make about the impact private regulation have: an *effect*, *no effect* or it might in fact *increase demand for regulation*. Subsequently, there seems to be little actual empirical evidence of the impact of private regulation. However, a small but growing body of empirical research is emerging with the intent to answer the question through empirical means.

Experimental research conducted by Druckman and Valdes (2019) suggests that private regulation can reduce motivations for policymakers to support regulation if an external actor was perceived likely to receive credit from the law passing. The study sample included 554 U.S state legislatures from 48 states who answered how likely they were to support a 15-dollar minimum wage (Druckman and Valdes, 2019: 119). The study varied the strength of indication the legislator would receive the credit for the law passing. Those that perceived it more likely, were also more likely to support the bill (Druckman and Valdes, 2019: 121). These results indicate that if a firm captures the credit from the public for regulating their own industry; it might in fact cause government regulators to restrain regulatory action.

Empirical research conducted by Innes and Sam (2008) suggests that private regulation can cause government officials to restrain the enforcement of existing regulations. Innes and Sam (2008: 2) analyzed partaking in the EPA’s 33/50 program, a voluntary agreement between 1200 American firms in different industries and the U.S. government to decrease the omitting of 17 chemical pollutants. Innes and Sam (2008: 26) found that participating firms faced a meaningful reduction in government inspections.

Finally, the experimental research conducted by Malhotra, Monin and Tomz, (2019) suggests that firms can decrease backing for regulations in the environmental domain by

voluntarily doing more than the status quo, but less than what observers might demand in the absence of private regulation (Malhotra, Monin and Tomz, 2019: 34). The sample included 2374 environmental activists from the Audubon Society, one of the largest environmental organizations in the U.S., 1722 individuals who had signed an environment related petition, 1708 laypersons from the public and 1531 government officials (Malhotra, Monin and Tomz, 2019: 24-25). The participants were exposed to two or three out of six different environmental issues and were asked to indicate their baseline support for an extreme regulative policy, such as, “there should be a ban for plastic packaging” (Malhotra, Monin and Tomz, 2019: 23). Next, the participants were presented with private regulation initiative that was either *deep* and *broad*, *deep* and *narrow*, *shallow* and *broad* or *shallow* and *narrow*. A PRI was depicted as deep when the firm reduced the use of plastic packaging with 70 % and shallow when the reduction was 30 %. The PRI was labelled broad if all firms in the industry participated, and narrow if only half of the firms participated.

The results of the empirical experiment showed that even *shallow and narrow* private regulation of, for the environment damaging business activity, decreased the demand for stringent government regulation among all groups (Malhotra, Monin and Tomz, 2019: 24). Furthermore, all groups were more positively inclined toward broad PRIs than deep initiatives. In addition, environmental activists spotted a difference between deep and shallow initiatives, something that ordinary citizens did not do (Malhotra, Monin and Tomz, 2019: 34).

This thesis will use similar experimental design as Malhotra, Monin and Tomz (2019) in an attempt to replicate the results of their study in a Finnish SHCS context. The SHCS-domain that is explored is private elderly care in which the same combination of *deep* and *broad*, *deep* and *narrow*, *shallow* and *broad* or *shallow* and *narrow* PRIs are examined.

3.4 Hypotheses

Given the line of theoretical reasoning conducted in the theoretical section regarding the plausible impact of private regulation on the demand for government regulation, private regulation might also lessen the demand for regulation of business conducted in elderly care. The question now arises: What could be an example of a stringent form of regulation that critical observers might hypothetically demand in the empirical setting of this thesis?

Remember the concept of market repugnance, championed by Roth (2007) in chapter 2. Roth (2007:40) define market repugnance as a situation where there might be willing suppliers and demanders of certain transactions, but an aversion to those transactions by others restrain or even stop the transactions. Moreover, Roth (2007:50) emphasize that repugnance often leads to some sort of government regulation of the transaction, of which the ultimate form is deeming the market activity unlawful. With this in mind, one particularly harsh regulation would be to ban profits altogether in elderly care. An example of how such a ban can play out in the real life comes from The Netherlands, where, similar to how NGOs and foundations operate, most private social-and healthcare providers return all surplus into the operation (Karttunen, 2018). Now, adding to the assumed moderating impact of *depth* and *breadth* variables, discussed in section 3.1.3, to the analysis, the result is the following five hypotheses.

H1: The private regulation initiative increases the support for allowing firms to profit in elderly care

H2: The deep and broad private regulation initiative increases the support for allowing firms to profit in elderly care

H3: The deep and narrow private regulation initiative increases the support for allowing firms to profit in elderly care

H4: The shallow and broad private regulation initiative increases the support for allowing firms to profit in elderly care

H5: The shallow and narrow private regulation initiative increases the support for allowing firms to profit in elderly care

Taking the plausible impact of private regulation even further, it could even increase the willingness of observers to allow elderly care firms to self-regulate, that is privately decide what rules to follow. This would also mean that firms would independently monitor the enforcement of the pursued private regulation policy. This assumption is derived from the application of Fiske and Tetlock's (1997) taboo-tradeoff framework to private regulation discussed in section 3.2, which lead to the assumption that the firms seek an authority ranking position. An AR position for the firm would mean that the firm is perceived by observers as a trustworthy and legitimate authority with the ability to impose its own rules and manage its own externalities, independent from the government. Although not discussed in terms of the taboo-tradeoff framework, Mikler, (2018: 103) arrive to a similar conclusion arguing that firms seek to convince governments and their publics about their legitimate authority to regulate their business activity.

How would this play out in elderly care? Remember the discussion held in section 1.2, which mentioned that the Finnish government currently require firms and other elderly care providers to employ 0.5 nurses per elderly (this is going to change eventually to 0.7) (Tolkki, 2019). Now, perhaps a legitimacy increasing PRI would sway observers to entrust firms to determine how much staff to carry per elderly? Once again, we add the dimensions of *breadth* and *depth* and this results in five more hypotheses; 6, 7, 8, 9 and 10.

H6: The private regulation initiative increases the support for allowing firms to determine the minimum staffing requirement

H7: The deep and broad private regulation initiative increases the support for allowing firms to determine the minimum staffing requirement

H8: The deep and narrow private regulation initiative increases the support for allowing firms to determine the minimum staffing requirement

H9: The shallow and broad private regulation initiative increases the support for allowing firms to determine the minimum staffing requirement

H10: The shallow and narrow private regulation initiative increases the support for allowing firms to determine the minimum staffing requirement

Furthermore, as mentioned in section 3.2, a move towards AR through a PRI could suggest a scenario, where monetary profit is not the single purpose of the firm existence. However, do observers perceive it this way? We remember that the CEO of Esperri Care resigned after admitting that the firm was too fixated on growth and profitability in its elderly care business, to the extent that the wellbeing of customers and employees was compromised (Räisänen and Ovaskainen, 2019). Hence, could a private regulation initiative bring observers to perceive firms as predominately prioritizing elderly health over profits? This line of reasoning result in the hypotheses 11, 12, 13, 14 and 15:

H11: The private regulation initiative increases the trust for firms prioritizing elderly health over profits

H12: The deep and broad private regulation initiative increases the trust for firms prioritizing elderly health over profits

H13: The deep and narrow private regulation initiative increases the trust for firms prioritizing elderly health over profits

H14: The shallow and broad private regulation initiative increases the trust for firms prioritizing elderly health over profits

H15: The shallow and narrow private regulation initiative increases the trust for firms prioritizing elderly health over profits

3.5 Summary

Private regulation can be defined as a situation where the firm voluntarily goes beyond the requirements of existing law in restricting their business operation (Potoski & Prakash, 2005; Prakash, 2000a; Prakash & Potoski, 2006; Vogel, 2005; 2008). Research suggests that firms over comply with existing government regulations as a strategy to prevent new regulation, avoid rigid enforcement, appease critical interest groups, and stop public protests (Baron 2014; Fooks et al. 2013; Kinderman 2012; Lyon and Maxwell 2004; Maxwell, Lyon, and Hackett 2000; Werner 2012). This thesis assumes that private regulation is particularly present in industries that suffer from market repugnance,

defined by Roth (2007: 40) as a situation where there might be willing suppliers and demanders of certain transaction, but an aversion to those transactions by a third party restrain or even stop the transaction.

One particularly promising theoretical approach that Roth (2007: 40) refers to is Fiske and Tetlock's (1997) taboo-tradeoff framework, which show why certain market activities are considered inappropriate. Fiske and Tetlock (1997: 256) define taboo-tradeoffs as ...“any explicit mental comparison or social transaction that violates deeply-held normative intuitions about the integrity, even sanctity, of certain forms of relationship and of the moral-political values that derive from those relationships”... Fiske and Tetlock (1997: 288) assert that if the public perceive that market logic, that is, the relational model of market pricing, transgresses unrestrained in certain societal domains where presumably communal sharing, equality matching and authority ranking are preferred, it produces market repugnance, which may result in stringent governmental regulation.

Figure 5 depicts a seven-step process model which integrates the theoretical approaches of market repugnance, private regulation and the taboo-tradeoff framework into what this thesis calls the *market repugnance control model* (MRCM). Initially, market pricing transgresses into a societal domain, in the case of this thesis elderly care, where observers presumably prefer different relational models. This results in market repugnance and demand for government regulation. As a response to the pressure, firms implement private regulation initiatives to reduce market repugnance and the risk of government regulation. A PRI provides the firm with an authority ranking position, that is, the firm signals other priorities than profit, which induce legitimacy among observers.

The purposed market repugnance control model is of course just one theoretical framework, along with a number of existing theoretical perspectives described in this thesis, that theorize on what impact of private regulation has on the demand for more stringent government regulation. The literature is divided regarding to what extent private regulation could either decrease, increase or have no effect on the demand for strict regulation issued by the government (Malhotra, Monin & Tomz, 2019: 21-22). Hence, it is not clear what the impact of private regulation in reality is. However, empirical research suggest that private regulation can cause government officials to restrain the enforcement of existing regulations (Innes and Sam, 2008) and make elected officials less willing to regulate if left out without public credit (Druckman and Valdes, 2019). Moreover, Malhotra, Monin and Tomz (2019) demonstrated that private

regulation of, for the environment damaging business activity, decreased the demand for stringent government regulation. The key to the approach of Malhotra, Monin and Tomz (2019) to the impact of private regulation is the four the dimension of breath and depth. The results suggests that the combination of these two aspects decreases demands for stringent government regulation, while narrow and shallow private regulation initiatives had just minor, or no, impact.

Now, the question for this thesis is then: Will similar results as Malhotra, Monin and Tomz (2019) display, materialize in a non-American and non-environmental context, such as the Finnish social- and healthcare, and more specifically: elderly care? This is an empirical question, which this thesis will address. The theoretical frameworks and the assumptions that they make, coupled with the empirical context of private regulation in Finnish private elderly care, amount to the following 12 null hypotheses displayed in table 1.

Figure 5 Seven-step market repugnance control model

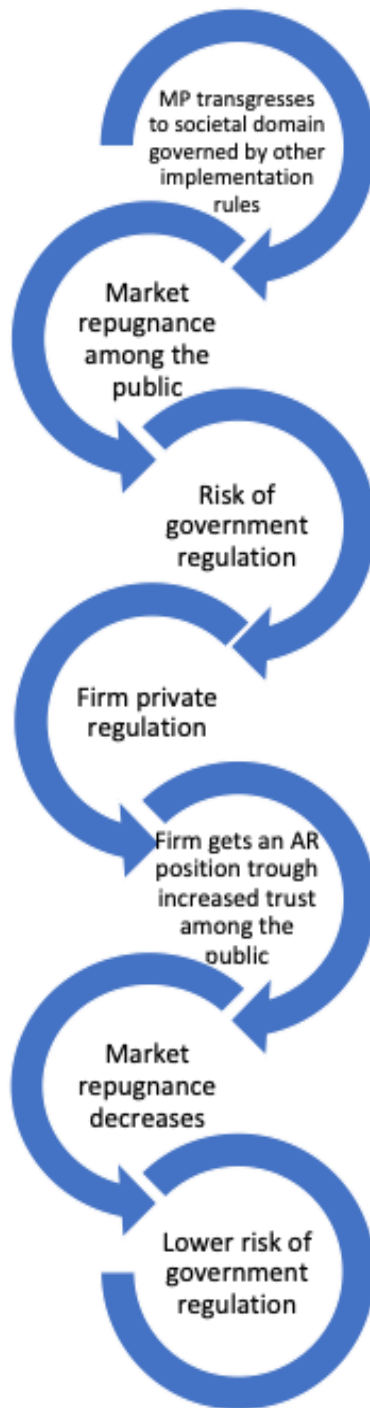


Table 1 Summary of the hypotheses

H1	The private regulation initiative increases support for allowing elderly care firms to profit
H2	The deep and broad private regulation initiative increases support for allowing elderly care firms to profit
H3	The deep and narrow private regulation initiative increases support for allowing elderly care firms to profit
H4	The shallow and broad private regulation initiative increases support for allowing elderly care firms to profit
H5	The shallow and narrow private regulation initiative increases support for allowing elderly care firms to profit
H6	The private regulation initiative increases support for allowing elderly care firms to determine staffing minimum
H7	The deep and broad private regulation initiative increases support for allowing elderly care firms to determine staffing minimum
H8	The deep and narrow private regulation initiative increases support for allowing elderly care firms to determine staffing minimum
H9	The shallow and broad private regulation initiative increases support for allowing elderly care firms to determine staffing minimum
H10	The shallow and narrow private regulation initiative increases support for allowing elderly care firms to determine staffing minimum
H11	The private regulation initiative increases trust in elderly care firms prioritizing elderly health over profit
H12	The deep and broad private regulation initiative increases trust in elderly care firms prioritizing elderly health over profit
H13	The deep and narrow private regulation initiative increases trust in elderly care firms prioritizing elderly health over profit
H14	The shallow and broad private regulation initiative increases the trust in elderly care firms prioritizing elderly health over profit
H15	The shallow and narrow private regulation initiative increases trust in elderly care firms prioritizing elderly health over profit

4 METHOD AND MATERIALS

This chapter begins by briefly laying out the ontological and subsequent epistemological position of this thesis, while contrasting the chosen position with alternative positions. Next, the chapter discusses the research methodology opted for, with a special emphasis on the experimental methodology. Finally, the chapter describes the study sample, data analysis, and the operationalization of the survey experiment, that is, what study participants are exposed to when they partake in the experiment conducted in this thesis.

4.1 The ontological and epistemological position of this thesis

All social scientific research, this thesis included, is formed by the social scientist's *ontological* and *epistemological* position (Marsh, Ercan & Furlong, 2018: 177). Most notably, the position influences the theoretical approach and the methodology opted by the researcher (Marsh, Ercan & Furlong, 2018: 177). Acknowledging the aspects of ontology and epistemology discussed by Marsh, Ercan and Furlong (2018), This thesis occupies the fundamentalist ontological position, and a positivist epistemology.

Ontological questions have to do with the way the researcher views the world and reality. The fundamental ontological question is: What is the shape and nature of reality (Marsh, Ercan & Furlong, 2018: 178)? The key dilemma is whether there is a “real” world out there that is independent from our comprehension (Marsh, Ercan & Furlong, 2018: 178). Here, ontological perspectives start to diverge and Marsh, Ercan and Furlong (2018: 178) distinguish between foundationalism and anti-foundationalism. Foundationalism, most often discussed in terms of realism or objectivism, assert that there exists a “real” world “out there” and it is independent from human understanding (Marsh, Ercan & Furlong, 2018: 178). Conversely, anti-foundationalism, often seen as relativism or constructivism, posit that the world is socially constructed (Marsh, Ercan & Furlong, 2018: 178).

Epistemological questions have to do with what one can know about the world, and how to retain that knowledge. For social scientists', then, the main question is how we can gain knowledge about the social world (Marsh, Ercan & Furlong, 2018: 178). Acknowledging the related ontological perspectives of fundamentalism and anti-

fundamentalism, the next epistemological question is: can social scientists identify “real” or “objective” relations between social phenomena, and if so, how (Marsh, Ercan & Furlong, 2018: 178)? If the answer is “yes”, it places the researcher in the fundamentalist ontology and the *positivist* or *realist* epistemology. However, if the answer is “no”, the researcher ascribes to an anti-fundamentalist ontology and hence an *interpretivist* epistemology (Marsh, Ercan & Furlong, 2018: 179).

To elaborate on the differences between a positivist and an interpretivist epistemology in social science, positivists attempt to mimic natural sciences using theory to generate hypotheses that can be tested, and from which, casual inferences can be drawn to the real world (Marsh, Ercan & Furlong, 2018: 186). Furthermore, positivists posit that the researcher can be an objective observer of reality and that it is plausible to separate empirical and normative research questions in a value-free manner (Marsh, Ercan & Furlong, 2018: 186).

To the contrary to positivists, interpretivists assert that the world is socially or discursively constructed, which means that social phenomena cannot be comprehended in separation of our understanding of those same phenomena. Instead, it is these interpretations of reality and the meanings we ascribe to social phenomena, often seen as “discourses”, that ought to be studied. The epistemological position of interpretivists amounts to a view that “objective” scientific inquiry is impossible (Marsh, Ercan and Furlong, 2018 190). Marsh, Ercan and Furlong (2018: 179) underscore that the researcher’s epistemological position has direct methodological consequences, as positivists favour *quantitative methods*, such as statistical inference from existing data or conducted surveys. Interpretivists, on the other hand, favour *qualitative methods* like interviews, ethnography, and vignettes, etc.

As briefly mentioned earlier, this thesis occupies the fundamentalist ontological position, and a positivist epistemology. Why this position? Initially, Hay (2006) assert that it is not possible to prove an ontological position, and hence, social scientists should adopt a position that is reasonable to themselves and use it regularly, whilst recognizing that it may be contested by other social scientists. On this note, I think that the interpretivist approach of denouncing any objective scientific inquiry is unhelpful. I prefer a pragmatic positivist view acknowledges the “realness” of the different socially constructed “discourses” out there. To me, a socially constructed discourse is determined “real” when it has a *tangible* impact on individuals and societies.

An example of such a discourse, in my view, is firms as political actors engaging in political activity to gain regulatory advantages. A pragmatic positivist position, coupled with quantitative methods, is then in my mind, the most suitable approach to study these “real discourses”. Quantitative methods such as a quantitative survey experiment, allow for measurement and generalizability (John, 2018: 268–269), aspects that I consider to be the main properties of insightful and truth-seeking social science (emphasis on the word “seeking” not “finding”).

4.2 The experiment as a research method

Druckman et al. (2006: 627) point to the notion that the use of the experiment as a research method is becoming more and more common amongst modern political scientists. However, this was not always the case as reflected by Lijparts critical remarks in 1971 in the *American Political Science Review*. Lijparts (1971: 684-685) asserted that the experimental method has little applicability to topics that interest political scientists and refers also to the number of difficult ethical dilemmas that the method imposes on its users. Luckily, this view has since then changed, which has partly influenced me too choose the method for my thesis. Consequently, this section will briefly elaborate on the basic principles of experimental research, advantages and disadvantages, and ethical considerations.

4.2.1 Principles of experimental research

Margetts and Stoker (2018: 290) argue that experiments are attractive to political scientists (myself included) due to their ability to spawn empirical evidence and theory that can form *causal inferences*. However, if causal inferences are to be drawn, the experiment should include some type of *intervention*, *control* and *random allocation between groups* (Margetts and Stoker, 2019: 290-291).

In contrast to plain observation, where all variance in data is outside the control of the scientist, experimental research systematically creates variation in the independent and dependent variables through intervention, followed by a statistical measurement of the effect of the intervention (Margetts and Stoker, 2018: 291). Margetts and Stoker (2018:

291) assert that control is essential for the experimental method, usually in terms of splitting the sample into a treatment group, which receives the intervention, and a control group, which is not.

However, experiments do not necessarily have to include a control group, where manipulation is non-existent (Morton and Williams, 2008: 441-442). Especially in laboratory settings, variation can come through a systematically adjusting the variables that are included in the experiment (Margetts and Stoker, 2018: 291). This aspect is of importance for the survey experiment conducted in thesis, as there is no control group, which is completely free from intervention. Instead, the variables of interest are systematically varied in the different treatments.

Moreover, random allocation of study participants to experimental groups is used to make sure that the experimental groups are homogenous in ways relevant for the research question (Margetts and Stoker, 2018: 291). Consequently, these groups are treated exactly the same on all counts, except for those of interest (Margetts and Stoker, 2018: 291). To observe the impact of the intervention, a measurement of the dependent variables is often conducted prior to the intervention, also called the “baseline” (Margetts and Stoker, 2018: 291). This procedure is also taking place in this thesis, where a baseline measurement of the demand for government regulation amidst experiment participants is conducted prior to presenting the intervention, which is the firm private regulation initiative.

4.2.2 The advantages and disadvantages of experiments

Experiments have numerous advantages, as well as, some disadvantages. One prominent advantage is the *artificiality* of experiments (Webster and Sell, 2014: 10). Artificiality means that the researchers can construct the setting of empirical observation, instead of facing all the complexity of the natural world (Webster and Sell, 2014: 10). Consequently, a carefully designed experiment may include all the theoretically presumed causes (independent variables) of a specific phenomenon, while removing or minimizing aspects that perceived as casual to the phenomenon studied (dependent variable), or of interest to the researcher (Webster and Sell, 2014: 10).

Another beneficial aspect of artificiality is that experiments enable replication by other researchers and comparison across different settings, which are two aspects that are difficult to reach in a real-world setting (Webster and Sell, 2014: 11).

However, artificiality is simultaneously the greatest weakness of experiments (Webster and Sell, 2014: 12). Experiments are, more or less, poor of including all the complexities of particular settings (Webster and Sell, 2014: 12). It cannot artificially reproduce a real-world election, war, or public policy. Experiments can only yield abstract features that imitate plausible scenarios (Webster and Sell, 2014: 12). This brings us to the core of the question of *extern validity*: What can actually be said about the real-world based on the results of the experiment? This is of course somewhat of an issue for the survey experiment in this thesis. The operationalization of the Finnish elderly care firm private regulation initiative in this thesis merely mimics what a private regulation initiative might look like, and how an observer could encounter it. However, given the otherwise controlled environment, we should not be too dismissive since casual inferences can still be made to a greater extent than in a “natural” environment.

Another aspect that often weakens the external validity of experiment is non-representative samples that often consists of convenience samples of students (Sears, 1986). Reliance on this unrepresentative samples evokes concerns of external validity due to not reflecting the public attitudes adequately (Kam, Wilking and Zechmeister, 2007). However, Kam, Wilking and Zechmeister (2007) assert that moving beyond student samples imposes an additional burden, as participation rates for nonstudents in laboratory experiments are usually lower than those for students. The experiment conducted in this thesis rely mainly on a sample that consists of students. This is clearly not a representable sample of the Finnish population. However, it is arguable that the attitudes of millennials and generation Z will be instrumental in the formation of the future welfare state and social-and healthcare policy. Furthermore, being social science students, it is likely that the majority of the respondents are politically left leaning, which suggests that the private regulation initiatives of firms meet at critically skewed audience, as trust in the free market is traditionally low. So, if the PRI can decrease support among this population, it might very well do it among the wide public.

Another challenge is that laboratory experiments require robust theory. If this requirement is not met, the researcher ought to turn back observing the natural setting or choose a different method, as there is no clear understanding why certain aspects or interventions is included in the experiment (Webster and Sell, 2014: 13). One could argue

that this puts some constraints on the researcher in pursuing the experimental method. This brings us to the core of the question of *internal validity*: Are we actually measuring what we intend to? This thesis has taken systematic measure to ensure reliability by formulating the hypotheses and the survey experiment on an extensive foundation of theory. This theoretical foundation is then carefully translated into variables of interest of this thesis.

A final notable limitation to the experimental method that affects validity is the *contamination effect* (Margetts and Stoker, 2018 p. 303). Due to different feedback mechanisms like social interaction between participants and media coverage, it is difficult to maintain the purity of the experiment (Margetts and Stoker, 2018: 303). This thesis recognize that private elderly care is a contagious topic and it has hence gained plenty of news media and the public debate, which presumably makes the topic susceptible to the contamination effect. However, the notion that participants already have a point of view on private firms in elderly care, might not be such a big problem after all since they are then probably more likely to display preferences, as opposed to having no opinion. The survey, then, simply show these preferences.

4.2.3 *The ethics of experimental research*

General ethical concerns are objectification of research participants, potential harm, exploitative and coercive practices, privacy and confidentiality issues (Webster and Sell, 2014: 27). Each issue has, in a way or another, to do with power relations and trust between the researcher and the participant (Webster and Sell, 2014: 27).

Potential harms can naturally take many forms. A more frequent set of harms are psychological harm and social harm. In some instances, researchers may create situations that can result in embarrassment, anxiety, depression, shame or even loss of self-confidence (Webster and Sell, 2014: 29). Social harm most often refers to threats to the subject's reputation or social relationships (Webster and Sell, 2014: 29). Webster and Sell (2014: 29) exemplify social harm through a situation where the partaking in a study that reveals the individual's personal information. The disclosed information may hurt the study participants social standing in a community (Webster and Sell, 2014: 29).

Coercive conduct should not be used when recruiting participation to experiments. Partaking ought to rest on the norm of voluntariness (Webster and Sell, 2014: 31).

Nevertheless, participants may be enlisted by using incentives (Webster and Sell, 2014: 31). However, incentives should be kept to a minimum, that is monetary reward should be kept low and grades should not be impacted by whether the student participates in the experiment or not (Webster and Sell, 2014: 30).

The upholding of privacy and confidentiality is vital (Webster and Sell, 2014: 31). Ethical concerns appear when information, that individuals do not wish to make public, is stored (Webster and Sell, 2014: 31). The reassurance and realization of confidentiality or anonymity is the basis for securing participants privacy (Webster and Sell, 2014: 31). Normative rights to privacy mean that people can freely decide to disclose personal information (Webster and Sell, 2014: 31). In this way, people can monitor who has access to their information (Webster and Sell, 2014: 31). Consequently, when participants agree to participate in a study, they give access to certain information (Webster and Sell, 2014: 31). In most research settings, it is feasible to provide the participant with anonymity, which means that no personal information like names, addresses or other unique identifiers are collected by the participant (Webster and Sell, 2014: 31).

4.2.4 How ethics is considered in this thesis

The ethical aspects mentioned above were acknowledged when formulating the survey experiment of this thesis. Initially, there is no exposure to psychological harm, as there is no material included with suggestions of violence, or sexual material. Furthermore, there is no loud sounds, nerve-wracking time-limits or individual losses. There is no social harm to the participant either, since the participant does not share any personal information such as names, addresses or other identifiers.

The experiment is in line with the European General Data Protection Regulation (GDPR). Concerning practicalities of the experiment, this means that participants were informed about their right to data privacy and how the data is stored.

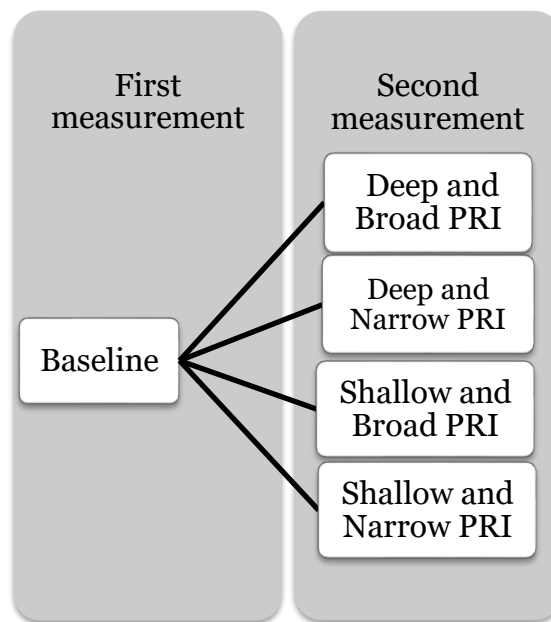
4.3 Survey experiment operationalization

As mentioned earlier, the experiment comes in a survey format. The language of the experimental survey is Swedish, due to the availability of Swedish speaking participants. The English version, which is a straight translation of the Swedish survey, is however

accounted for in this section. The exact wording of the Swedish versions can be found in the master thesis appendices 1-4.

The structure of the survey experiment draws heavily on the experiment conducted by Malhotra, Monin and Tomz (2019), and can be seen as a quasi-replication, with the difference being the context and a wider scope of questions. Similar to Malhotra, Monin and Tomz (2019), the survey experiment has four treatment conditions, where the dimensions of *breadth* and *depth* is varied between groups. This means that when a study participant chooses to participate, they are randomly assigned to one of four different conditions, as show in the randomization protocol in figure 6. Next, the operationalization of the experimental survey and the four conditions is discussed in detail.

Figure 6 Randomization protocol of the survey experiment



4.3.1 Experimental survey introduction

All experimental survey treatments begin with a heading that states, “*Elderly care and for-profit firms*”. This formulation is meant to immediately gain the participants attention and prime the participant to (unconsciously) relational model of *market pricing* in the domain of elderly care, which is presumably perceived as belonging to the domain of *communal sharing*.

The first section, depicted in table 2, introduces the participant to the issue of private firm business in elderly care. More specifically, the section familiarizes the participant with the ethical concerns of Finnish SHCS-firms profiting of helpless elderly, among other, by minimizing the number of employed nurses per elderly. This notion is then contrasted with the view that firms should be allowed to profit and to choose independently how many nurses they employ. The concern presented, is that a ban on profits would diminish the supply and quality of elderly care. This formulation is similar to the one opted by Malhotra, Monin and Tomz (2019: 23).

Table 2 Operationalization of the issue introduction

Some people think that the Finnish government should ban profits in elderly care. They say that it is unethical that firms profit from helpless elderly, often through cutting costs by hiring only the minimum number of nurses that the government requires. Other people think the government should not ban profits and firms should get to freely choose how many nurses they hire. They say a ban on profits and a minimum employment requirement diminish the availability of care for the elderly, lower the quality of care provided, and raises costs for society.

4.3.2 Survey experiment questions

After the issue introduction, participants are exposed to questions 1-3, displayed in table 3, that measure their baseline support for banning profits in elderly care, entrusting firms to independently decide the minimum level of employed nurses, and their baseline trust for the firm inclination to prioritize the health of elderly over profits. The questions are formulated on a conventional seven-point Likert scale. These same questions are asked again after the participants have been exposed to the intervention, which in the setting of this thesis is the elderly care firm's private regulation initiative.

Table 3 Operationalization of the survey experiment questions

<p>1. On a scale 1 to 7, do you think that the government should ban or should not ban profits in elderly care? 1 = should definitely ban 7 = should definitely not ban</p> <p style="text-align: center;">1 2 3 4 5 6 7</p> <p>2. On a scale 1 to 7, do you think that elderly care firms should be allowed or should not be allowed to decide the minimum number of nurses they hire? 1 = should definitely not be allowed, 7 = should definitely be allowed</p> <p style="text-align: center;">1 2 3 4 5 6 7</p> <p>3. On a scale 1 to 7, how much do you trust that elderly care firms prioritize the health of the elderly over their profits? 1 = do not definitely trust, 7 = definitely trust</p> <p style="text-align: center;">1 2 3 4 5 6 7</p>
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4.3.3 Private regulation initiative

Once the participants have replied to the baseline questions 1-3, they are introduced to a private regulation initiative, depicted in table 4, where firms voluntarily increase the number of employed nurses.

Similarly, to Malhotra, Monin and Tomz (2019: 23), the PRI varies on the dimensions of *breadth* and *depth*. The PRI is broad when *all* firms conducting elderly care partake in the initiative. Conversely, the PRI is narrow when only *half* of the firms partake. Concerning the dimension of depth, the PRI is deep when elderly care firms increase the number of employed nurses 70%. Equally, the PRI is shallow when firms only increase the number of employed nurses with 30%. The operationalization of the dimensions is adopted from Malhotra, Monin and Tomz (2019: 23).

As mentioned in the prior sub-section, once the participants have internalized the PRI, the same questions are repeated as depicted in table 3. Statistically significant differences between the baseline preferences and post-PRI preferences indicate that the PRI has indeed shifted demands for government regulation of private elderly care.

Table 4 Operationalization of the private regulation initiative

Elderly care firms sometimes take voluntary steps to take care of the elderly: they do more than what the government requires. Suppose that all/half of the Finnish elderly care firms voluntarily increase their effort by raise their minimum number of nurses per elderly with 70%/30%. If all/half of the elderly care firms make this change without being required by the government, do you think the government should or should not ban profits in elderly care, and should elderly care firms be allowed to decide the minimum number of nurses independently from the government?

4.3.4 Descriptive information

Shown in table 5, participants are finally asked to share descriptive information, regarding sex, age, political affiliation and the general trust they have towards other people. This allows us to see if any of these variables moderate the effectiveness or ineffectiveness of the private regulation initiative to decrease the demand for government regulation.

The aspect of political affiliation is included, as it may have a moderating effect of the susceptibility of the PRI. The Left is generally more critical towards the application of market logic to healthcare domain than the Right (Gingrich, 2011: 268). This tendency might itself in the context of this thesis through the resistance of left leaning participants towards the PRI. Contrariwise, right leaning participants may be more susceptible to the PRI, and hence decrease their baseline demands for government regulation. The operationalization of the question is adopted directly from the European Social Survey (2018).

Similarly, the aspect of general trust towards other people, might also have a moderating effect on the liability to the PRI. More entrusting participants might be more inclined to trust firms to determine the number of nurses independently, and that firms act responsibly when facing a tradeoff between the health of the elderly and profits. The operationalization of this question is also brought from the European Social Survey (2018).

Table 5 Operationalization of questions regarding background information

7. Finally, please fill your background information

In politics people sometimes talk of “left” and “right”. Using this scale, where would you place yourself on this scale, where 0 means the left and 10 means the right?

Left <- 0 1 2 3 4 5 6 7 8 9 10 -> Right

Generally speaking, would you say that most people can be trusted, or that you can't be too careful in dealing with people? Please indicate a score between 0 to 10, where 0 means you can't be too careful and 10 means that most people can be trusted.

You can't be too careful <- 0 1 2 3 4 5 6 7 8 9 10 -> Most people can be trusted

Age: _____

Gender: Women ___ Man ___ Other ___

Profession: _____

4.4 Sampling, experimental procedure and statistical methodology

The sample consists of N = 169 participants, 33 % male and 67 % female and with a mean age of 24 years. The majority of participants are undergraduate students at University of Helsinki Swedish School of Social Sciences, as well as master students from the political science program. Furthermore, the sample also includes recent university graduates.

The experiment was conducted online using Google forms as the survey experiment platform. The link to the survey was provided to potential respondents predominately through Zoom, a virtual communication platform, during remote university lectures. In the beginning of the lecture, I briefly introduced the survey were after respondents took around 7-10 minutes to fill in the survey. Some respondents were also obtained through posting the survey link to WhatsApp chat. Here again, I briefly introduced the survey were after respondents took around 7-10 minutes to fill in the survey. In order to estimate the time it took to fill in the survey, I asked respondents to indicate that they had

completed the survey with a “OK” in the comment section of the virtual communication platform used.

The respondents that chose to participate were randomly assigned to four experimental conditions. A proxy was connected to the survey link in order to randomize survey participants to one of the four experimental conditions. The proxy was programmed to take the respondent to one of the four Google forms surveys.

In order to incentivise participation, a lottery was organized where participants could win one out of five gift codes worth 20 euro each. If participants wished to be part of the lottery, they were instructed to provide their phone number. To ensure anonymity, the participants were informed that the mobile numbers were to be deleted after the draw was completed.

The quantitative data generated through the empirical experiment was analysed using various statistical methods on the SPSS Statistics 26 program. Initially, a Spearman's rho correlation coefficient is used to assess the relationships between the three baselines and ideology and the three baselines and trust. The Spearman rank correlation coefficient is the nonparametric version of the Pearson correlation coefficient (Zar, 1972). The data must be ordinal, interval or ratio. Spearman's returns a value from -1 to 1, where: +1 = a perfect positive correlation between ranks, -1 = a perfect negative correlation between ranks, and 0 = no correlation between ranks. Another statistical method used, is the Mixed-model of analysis of variance, which include a repeated within subject's design and a between-subject's design. Repeated within-subjects-designs involve each subject being measured p times on the same dependent variable (O'Brian & Kaiser, 1985). In Between-subjects designs, each individual is exposed to only one treatment and it involves comparisons between different subjects that are often part of different experimental groups (Charness, Gneezy & Kuhn, 2012). Finally, paired samples t-tests are used to compare means and in so doing determine the precise p -levels.

5 RESULTS

This chapter presents the results of the experiment and data analysis. As mentioned earlier, the sample consists of $N = 169$ participants, 33 % male and 67 % female and a mean age of 24 years. Two relevant covariate independent variables are political ideology and general trust in others. These independent variables are directly applied from the European Social Survey (2018) and are measured on a 0-10 point scale with zero being Left and not trustful and ten being Right and very trustful in others. Consequently, the mean ideology is $M=4.02$ $SD=2.29$, and the mean trust is $M=5.88$, $SD=2.09$. This suggests that the ideology of the participants is more to the Left and participants are tilted to being trustful.

Now, we remember that participants disclosed their baselines preferences regarding the following three topics:

1. Baseline support for elderly care firm right to profit on their operation
2. Baseline support for allowing elderly care firms to determine employment minimum
3. Baseline trust in elderly care firms prioritizing elderly health over profits

The Spearman's rho correlation coefficient was used to assess the relationships between the three baselines and ideology and the three baselines and trust. Indeed, there was a significant correlation between the baseline 1 and ideology, $R_s = .458$, $p < .001$, $N = 169$, but no correlation between baseline 1 and trust $R_s = .029$, $p = .706$, $N = 169$. Furthermore, there was no significant correlation between the baseline 2 and ideology, $R_s = .117$, $p = .131$, $N = 169$, but there was a significant negative correlation between baseline 2 and trust $R_s = -.173$, $p < .05$, $N = 169$. Finally, there was a significant correlation between the baseline 3 and ideology, $R_s = .188$, $p < .05$, $N = 169$, but no correlation between baseline 3 and trust $R_s = .58$, $p = .456$, $N = 169$. As a final point, there was no significant correlation between ideology and trust, $R_s = -.004$, $p = .960$, $N = 169$.

The subsequent results section is divided into three sections according to the three issues of interest:

1. Support for elderly care firm right to profit on their operation
2. Support for allowing elderly care firms to determine the employment minimum
3. Trust in elderly care firms prioritizing elderly health over profits

5.1 Support for elderly care firms right to profit on their operation

The impact of the private regulation initiative (PRI) on the baseline support for elderly care firm right to profit on their operation, was initially analyzed through a Mixed-model Variance Analysis. This means that the dependent variable is analyzed through both a within-subject design and a between-subjects design. The within-subject factor is a repeated measurement of the difference between the baseline measurement of support and the PRI for the *same participant*. The between-subject factor involves the difference in change of support depending on which *experimental group* that the participant was randomly assigned.

We remember that there are four experimental groups that differ on the levels of *depth* and *breadth* of the PRI. The PRI is either deep and broad, deep and narrow, shallow and broad, or shallow and narrow. A PRI is deep if the elderly care firm increases the patient/nurse ratio with 70 %, and shallow if the ratio is 30 %. A PRI is broad when all firms participate and narrow if only half of the firms participate.

The model shows that the within-subject factor is statistically significant, which means that there is a significant difference between the baseline support and the post PRI support, $F(1, 165) = 61.41, p < .001, \eta^2 = .271$. However, the between-subject factor is not statistically significant, which means that there is no difference between the experimental groups, $F(3, 165) = 2.10, p = .102, \eta^2 = .037$. Moreover, there is no interaction effect between the PRI and the experimental group, $F(3, 165) = .576, p = .632, \eta^2 = .010$. Figure 7 depicts the results from the model.

Figure 7 Estimated Marginal Means of the Support for Firms Right to Profit

A paired samples t-test underscores the finding that there is a statistically significant increase in the support for the firm's right to profit. The test also accentuates the finding that there are no statistically significant differences between the experimental groups. The results of the paired samples t-test is displayed in table 6.

Table 6 Mean difference between the baseline and post PRI concerning support for firms' right to profit in elderly care

Private regulation	Baseline	Post PRI	Mean Difference
	Mean±sd	Mean±sd	±Mean±sd
Deep and Broad	3.40±1.78	4.38±1.67	±.98±1.02***
Deep and Narrow	3.66±1.65	4.32±1.69	±.66±1.40**
Shallow and Broad	3.80±1.82	4.51±1.68	±.71±1.17***
Shallow and Narrow	3.04±1.48	3.73±1.27	±.69±1.38**

*p < .05 **p < .01 ***p < .001

5.1.1 *The impact of ideology and trust*

An analysis of variance (ANOVA) was conducted in order to control for the impact of ideology, trust on the change in the baseline support. It is plausible that the effectiveness of the private regulation initiative (PRI) increases or decreases depending on these independent variables.

The model however shows that ideology ($F(9, 169) = .897, p = .533, \eta^2 = .076$) and trust ($F(9, 169) = 1.040, p = .414, \eta^2 = .087$) has no statistically significant impact on the change in the baseline support for the right for firms to profit in elderly care. The model also shows that there is no interaction effect between the experimental group and ideology ($F(24, 169) = 1.057, p = .406, \eta^2 = .206$) and trust ($F(21, 169) = .701, p = .823, \eta^2 = .131$).

Although not in the center of analysis, it is interesting to analyze the differences between ideology and trust, concerning support for elderly the care firm's right to profit. This is done by splitting the variables ideology and trust into dichotomous variables by the median. This means that those subjects that indicated their ideology ≤ 4 are determined as leftists and those whose ideology is > 4 are rightwing. Concerning trust, the median is 6, which means that those who have a trust ≤ 6 are determined to have a *low trust*. Similarly, those who indicated a trust > 6 are *high trust*.

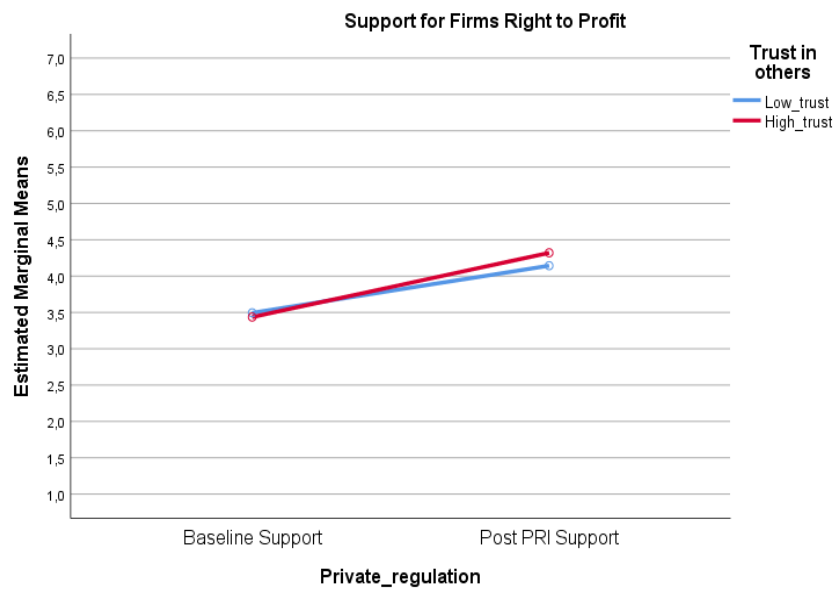
A Mixed-model Variance Analysis model show that Right leaning subjects have stronger support for elderly care firms' right to profit than Left leaning ($F(1, 167) = 28.33, p < .001, \eta^2 = .145$), as shown in figure 7. On the other hand, there was not a difference in the level of support between those who had low trust and high trust ($F(1, 167) = .064, p = .801, \eta^2 = .001$), as shown in figure 8.

Now, what is perhaps more interesting is the fact that the PRI increases the support for elderly care firms' right to profit equally among leftists and rightwing ($F(1, 169) = 3.277, p = .072, \eta^2 = .019$), also displayed in figure 8, and those with low trust and high trust ($F(1, 169) = 1.502, p = .222, \eta^2 = .009$), depicted in figure 9.

Figure 8 The impact of ideology on support for elderly care firms right to profit on their operation



Figure 9 The impact of trust on support for elderly care firms right to profit on their operation

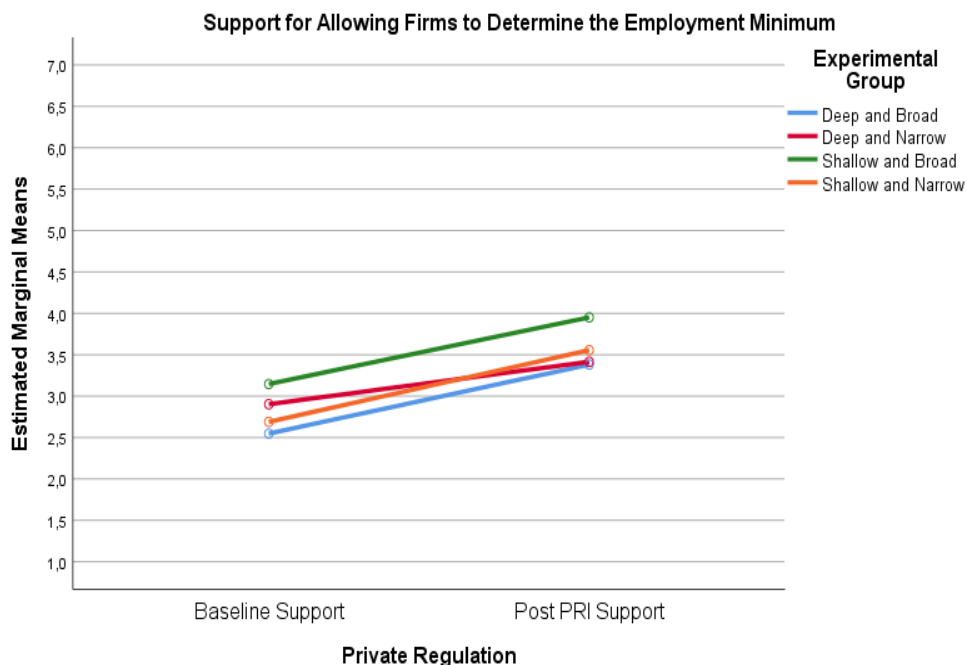


5.2 Support for allowing elderly care firms to determine employment minimum

The impact of the private regulation initiative (PRI) on the change in baseline support for allowing elderly care firms to decide employment minimum, is once again analyzed through a Mixed-model Variance Analysis.

The model shows that the within-subject factor is statistically significant and there is a significant difference between the baseline support and the post PRI support, $F(1, 165) = 62.44$, $p < .001$, $\eta^2 = .275$. The between-subject factor is not statistically significant, which means that there is no difference between the experimental groups, $F(3, 165) = 1.17$, $p = .323$, $\eta^2 = .021$. Moreover, there is no interaction effect between the PRI and the experimental group, $F(3, 165) = .723$, $p = .539$, $\eta^2 = .013$. Figure 10 depicts the results from the model.

Figure 10 Estimated marginal means of support for allowing firms to determine employment minimum



Since there are no differences in the between-subjects factor, we may solely analyse the within-subjects factor. A pairwise t-test underscores the finding that there is statistically

significant increase in the experiment participants' support for firms' right to determine employment minimum after the PRI, as displayed in table 7.

Table 7 Mean difference between the baseline and post PRI concerning support for allowing firms to determine employment minimum

Private regulation	Baseline	Post PRI	Mean Difference
	Mean±sd	Mean±sd	±Mean±sd
Deep and Broad	2.55±1.64	3.38±1.64	±.83±1.17***
Deep and Narrow	2.90±1.73	3.41±1.73	±.51±1.33*
Shallow and Broad	3.15±1.65	3.95±1.64	±.81±1.39**
Shallow and Narrow	2.69±1.46	3.56±1.32	±.87±1.08***

*p < .05 **p < .01 ***p < .001

5.2.1 The impact of ideology and trust

An analysis of variance (ANOVA) was conducted in order to control for the impact of ideology and trust on the change in the baseline support. It is plausible that the effectiveness of the private regulation initiative (PRI) increases or decreases depending on these independent variables.

The model however shows that ideology ($F(9, 169) = .354, p = .954, \eta^2 = .031$) and trust ($F(9, 169) = 1.574, p = .133, \eta^2 = .126$), has no statistically significant impact on the change in the baseline support for allowing firms to determine employment minimum. The model also shows that there is no interaction effect between the experimental group and ideology ($F(24, 169) = 1.040, p = .426, \eta^2 = .203$) and trust ($F(21, 169) = .678, p = .845, \eta^2 = .127$).

A mixed-model variance analysis model shows that initially the right-leaning subjects have equally strong support for allowing elderly care firms to determine employment minimum as the left-leaning ($F(1, 167) = 2.134, p = .146, \eta^2 = .013$), as shown in figure 11. However, there was not a difference in the level of support between those who had low trust and high trust ($F(1, 167) = 2.544, p = .113, \eta^2 = .015$), as shown in figure 11.

Most notably, the PRI increased support for allowing elderly care to determine employment minimum equally among Leftists and the Right ($F(1, 167) = .001$, $p = .977$, $\eta^2 = .001$), also displayed in figure 11, and those with low trust and high trust ($F(1, 169) = 3.517$, $p = .062$, $\eta^2 = .021$), depicted in figure 12.

Figure 11 The impact of ideology on support for allowing firms to determine employment minimum

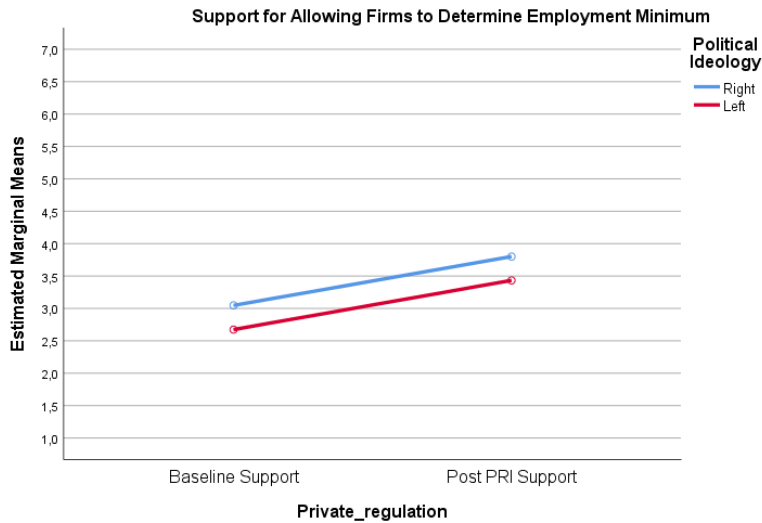
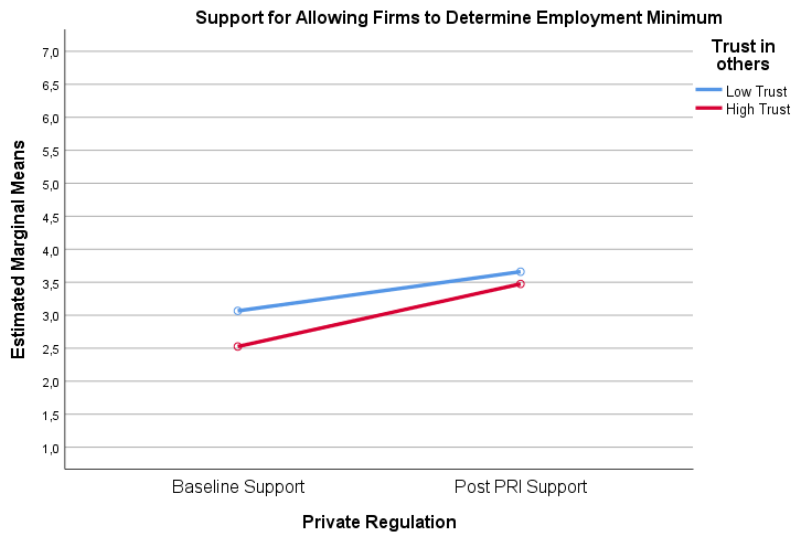


Figure 12 The impact of trust on support for allowing firms to determine employment minimum



5.3 Trust in elderly care firms prioritizing elderly health over profits

The impact of the private regulation initiative (PRI) on the change in the baseline trust in elderly care firms prioritizing elderly health over profit, is once more analyzed through a Mixed-Model Variance Analysis.

The model shows that the within-subject factor is statistically significant and there is a significant change between the baseline support and the post PRI support, $F(1, 165) = 21.35$, $p < .001$, $\eta^2 = .115$. The between-subject factor is not statistically significant, which means that there is no difference between the experimental groups, $F(3, 165) = 1.02$, $p = .384$, $\eta^2 = .018$. Moreover, there is no interaction effect between the within-subject factor PRI and between-subjects factor, which is the experimental group, $F(3, 165) = 2.48$, $p = .064$, $\eta^2 = .043$. Figure 13 illustrates the results from the model.

Figure 13 Estimated marginal means of trust in firms prioritizing elderly health over profit



Since there are no differences in the between-subjects factor, we may solely analyse the within-subjects factor. A paired samples t-test underscores that finding that there is

statistically significant increase in the experiment participants' trust for firms' right to profit after the PRI, as displayed in table 8.

Table 8 Mean difference between the baseline and post PRI concerning trust in firms prioritizing elderly health over profits

Private regulation	Baseline	Post PRI	Mean Difference
	Mean±sd	Mean±sd	±Mean±sd
Deep and Broad	3.31±1.26	4.02±1.39	±.71±1.00***
Deep and Narrow	3.73±1.34	4.10±1.46	±.37±1.11*
Shallow and Broad	3.39±1.65	3.83±1.45	±.44±1.12*
Shallow and Narrow	3.40±1.44	3.47±1.50	±.07±1.21

*p < .05 **p < .01 ***p < .001

5.3.1 The impact of ideology and trust

An analysis of variance (ANOVA) was conducted in order to control for the impact of ideology, trust and gender on the change in the baseline trust. It is plausible that the effectiveness of the private regulation initiative (PRI) increases or decreases depending on these independent variables.

The model shows that ideology ($F(9, 169) = .864, p = .560, \eta^2 = .073$), and trust ($F(1, 169) = .261, p = .610, \eta^2 = .003$) has no statistically significant impact on the change in the baseline trust for firms prioritizing elderly health over profits. Trust ($F(9, 169) = 2.242, p = .053, \eta^2 = .171$) is not statistically significant, which means that the level of trust that the participants has towards others had no impact on the change in the baseline.

The model also shows that there is no interaction effect between the experimental group and trust ($F(21, 169) = 1.416, p = .129, \eta^2 = .223$). There is no statistically significant

interaction effect between the experimental group and ideology ($F(24, 169) = 1.646$, $p = .053$, $\eta^2 = .203$).

The model shows that right leaning subjects have more trust in firms prioritizing elderly health over profits than left leaning ($F(1, 167) = 4.776$, $p < .05$, $\eta^2 = .028$), as shown in figure 14. On the other hand, there was not a difference in the level of support between those who had low trust and high trust ($F(1, 167) = .003$, $p = .958$, $\eta^2 = .001$), as shown in figure 15.

Most notably, the PRI increased the trust in firms prioritizing elderly health over profits equally among left-leaning and right-leaning ($F(1, 167) = .001$, $p = .977$, $\eta^2 = .001$), also displayed in figure 14, and those with low trust and high trust ($F(1, 169) = 3.517$, $p = .062$, $\eta^2 = .021$), depicted in figure 15.

Figure 14 **The impact of ideology on trust in firms prioritizing elderly health over profit**

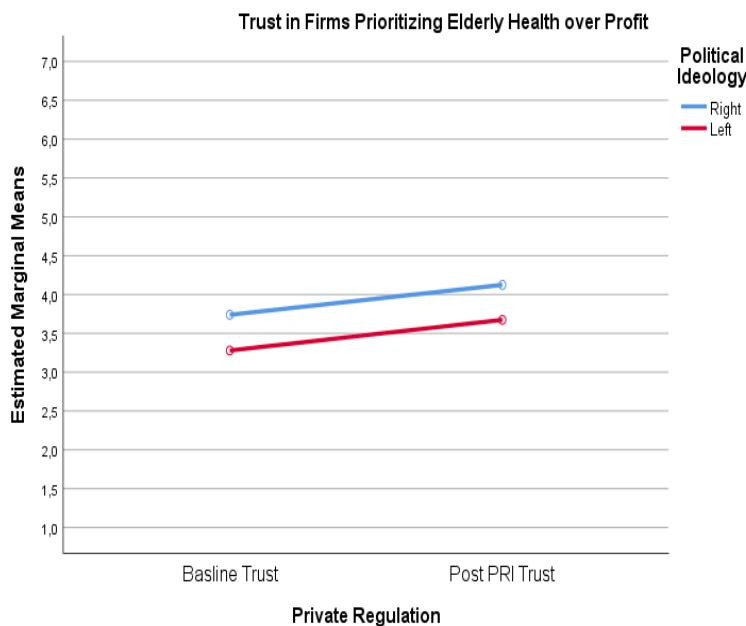
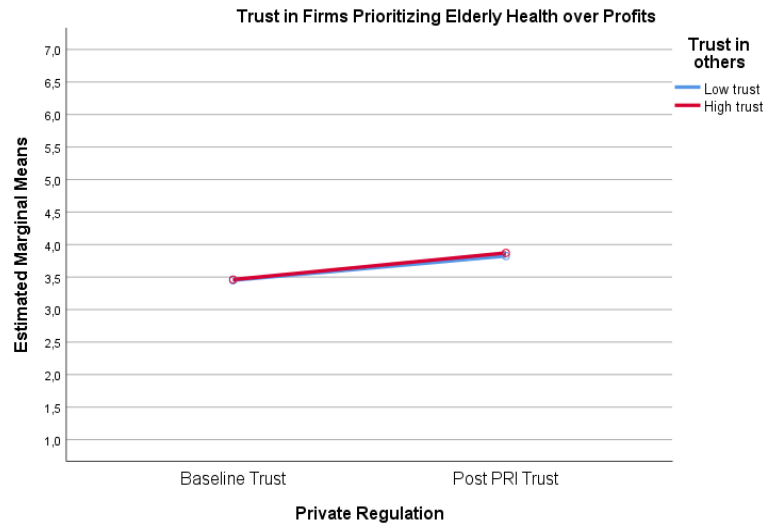


Figure 15 The impact of trust on trust in firms prioritizing elderly health over profit

6 DISCUSSION

This thesis has so far laid out a picture in which Finnish private elderly care firms are greatly worried about strict regulation of their staffing requirements due to higher costs. Stricter regulation is assumedly looming large due to market repugnance (Roth, 2007) in elderly care. In firms quest for leaner regulation, they could in theory turn to private regulation initiatives (PRI) as a political strategy to avoid stringent government regulation (Potoski & Prakash, 2005; Prakash, 2000a; Prakash & Potoski, 2006; Vogel, 2005; 2008). One way of categorizing PRIs is by the dimensions of depth and breadth of the PRI (Malhotra, Monin and Tomz, 2019). Depth is the measure of how much self-regulation one individual firm is engaged in, and breadth is a measure of what percentage of firms in a specific industry is part of the PRI (Malhotra, Monin and Tomz, 2019: 22). Now, why might PRIs work?

This thesis puts forward a novel theoretical explanation by linking private regulation to Fiske and Tetlock's (1997) Taboo-tradeoff framework. This theoretical framework put forward that firms, which traditionally abide by the market pricing relational model (MP), attempts to shift their relational position to a presumably more legitimate and less repugnant Authority Ranking (AR) relational model. This relational shift is managed through signaling firms' ability to regulate their own business. In so doing, the firm occupies a legitimate position, traditionally held by the government, which holds an AR position (Fiske and Tetlock, 1997). This increasing legitimacy is assumed to dampen market repugnance, as firms are not solely perceived as profit-maximizers, but socially responsible.

This strategy sounds effective in theory. However, does it work in a Finnish private elderly care context? The results of the survey experiment conducted in this thesis suggest that this is indeed the case.

6.1 The private regulation initiative increases the support for allowing elderly care firms to profit

After exposed to the experimental vignette, which laid out the arguments for and against allowing firms to profit in elderly care, participants were asked to indicate their support

for elderly care firm right to profit on their operation. Their initial response is recognized as the baseline. Next, the participants were exposed to a private regulation initiative (PRI). The PRI involved elderly care firms increasing the nurse/patient ratio. The PRI is varied on the dimensions of depth and breadth. The PRI is determined as deep/shallow when the firm increases the nurse/patient ratio with 70%/30%, and broad/narrow when the all/half of the firms partakes. Indeed, after the exposure to the PRI, participants altered their support. The change is visualized in figure 7.

What should one make of the change? Initially, it is safe to say that the PRI increased the support for the firm's right to profit. This is true regardless of the depth or breadth of the PRI. That is to say, it does not matter if half or all of the firms in elderly care increase the nurse/patient ratio with 30% or 70% percent; participants increase their support for allowing firms to profit. This brings us to determine that there is support for hypotheses 1-5 as shown in table 9.

Table 9 Hypotheses 1-5

H1	The private regulation initiative increases support for allowing elderly care firms to profit	Support
H2	The deep and broad private regulation initiative increases support for allowing elderly care firms to profit	Support
H3	The deep and narrow private regulation initiative increases support for allowing elderly care firms to profit	Support
H4	The shallow and broad private regulation initiative increases support for allowing elderly care firms to profit	Support
H5	The shallow and narrow private regulation initiative increases support for allowing elderly care firms to profit	Support

How might we interpret the results from the perspective of the theoretical framework discussed in this thesis? It is arguable that the change in the baseline, due to the PRI, is a sign that the participants perceive that the firm can in fact profit "responsibly", without profit-maximization, something that is viewed repugnant. From a Taboo-tradeoff perspective: The PRI alters the market pricing relational position of the firm on the relational scheme, which in turn induce legitimacy and hence grants a new authority ranking position. In so doing, the market repugnance is lowered and hence profiting is more acceptable.

6.2 The private regulation initiative increased the support for allowing elderly care firms to decide employment minimum

The second topic of interest is to what extent the private regulation initiative (PRI) affected the support for allowing elderly care firms to determine the employment minimum independently. We remember that the Finnish government has set the nurse/patient ratio to a 0.5. Consequently, the PRI increased the support for the right of firms to determine the ratio independently without government involvement. This is true regardless of the depth or breadth of the PRI, displayed in figure 10. This result enables us to determine that there is support for hypotheses 6-10 as depicted in table 10.

Table 10 **Hypotheses 6-10**

H6	The private regulation initiative increases support for allowing elderly care firms to determine staffing minimum	Support
H7	The deep and broad private regulation initiative increases support for allowing elderly care firms to determine staffing minimum	Support
H8	The deep and narrow private regulation initiative increases support for allowing elderly care firms to determine staffing minimum	Support
H9	The shallow and broad private regulation initiative increases support for allowing elderly care firms to determine staffing minimum	Support
H10	The shallow and narrow private regulation initiative increases support for allowing elderly care firms to determine staffing minimum	Support

How might we interpret the results from the perspective of the theoretical framework discussed in this thesis? It is arguable that the change in the baseline, due to the PRI, is a sign that the participants perceive that the firm can in fact be entrusted with the authority to autonomously determine what is suitable staffing. Some subjects might even start to think that firms are more competent in setting staffing standards than the government. Furthermore, participants might even reason that firms are more eager to increase staffing than governments. Again, from a Taboo-tradeoff perspective: the PRI signals that the MP position of the firm as an actor that is minimizing staffing to maximize profits is not valid. The firm freely increases staffing as a way of ensuring the wellbeing of the elderly, simultaneously imposing immediate costs on itself. Since the

firm is voluntarily so forthcoming with its staffing policy, it induces an image of an actor that is equally, or even more, interested in elderly welfare than profits. If this line of reasoning is perceived to be true, the firm now holds an AR position. This position leads subjects to entrust firms with the freedom to determine minimum staffing-requirements.

6.3 The private regulation initiative increased trust in firms prioritizing elderly health over profits

The final topic of interest is to what extent the private regulation initiative (PRI) affected the trust for firms prioritizing elderly health over profits. We remember that the CEO of Esperi Care resigned after admitting that the firm was too fixated on growth and profitability in its elderly care business, to the extent that the wellbeing of customers and employees was compromised (Räisänen and Ovaskainen, 2019). Consequently, the PRI predominately increased the trust for firms prioritizing elderly health over profits. The PRI did not however increase trust when it was *shallow* and *narrow*, that is, half of the firms increase the nurse/patient ratio with 30%. Figure 13 displays this relationship. This result enables us to determine that there is support for hypotheses 11, 12, 13 and 14 but not for hypothesis 15 as depicted in table 11.

Table 11 Hypotheses 11-15

H11	The private regulation initiative increase trust in elderly care firms prioritizing elderly health over profit	Support
H12	The deep and broad private regulation initiative increases trust in elderly care firms prioritizing elderly health over profit	Support
H13	The deep and narrow private regulation initiative increases trust in elderly care firms prioritizing elderly health over profit	Support
H14	The shallow and broad private regulation initiative increases the trust in elderly care firms prioritizing elderly health over profit	Support
H15	The shallow and narrow private regulation initiative increases trust in elderly care firms prioritizing elderly health over profit	No support

How might we interpret the results? Most notably, a shallow and narrow PRI is seemingly not enough to create the perception that the firm prioritizes the elderly over profit. The reason for this might be that the perception of the profit motive is so fundamental, that subjects require a stronger showing from the firm that it indeed does care more about the health of the elderly than profits; a number of firms merely increasing staffing is not enough proof. Translated into taboo-tradeoff terms: the shallow and narrow PRI did not succeed altering the perceived MP position of the firm to the extent that the firm succeeded to move to an AR position, and in so doing lessening market repugnance.

Moreover, if we are to compare how the shallow and narrow PRI fared concerning inducing trust for firms prioritizing elderly health with the other two topics of interest, it appears that supporting elderly care firms right to profit or determine staffing are more technical policy questions. Policy questions have trade-offs concerning which one can have different emphasis (Tetlock, 1986). However, the notion of private firms as not primarily interested in profits are perhaps in such contrast to the subjects learned mental models of how the firm as an institution is supposed to operate. The policy vs. institution perception difference might then cause the PRI to be ineffective in the case of inducing trust towards firm prioritization of elderly health over profits, compared to questions about support for profit or independent staffing.

Now, the other three PRIs did certainly induce trust for the notion that elderly care firms prioritize elderly health. Relating back to the previous discussion, this suggests that PRIs have to be deeper and/or broader if perceptions of institutional arrangements, such as the firm as a profit-seeker above else, are to change.

6.4 The influence of political ideology and trust

One might assume that factors like political ideology and trust in others could moderate the impact of the PRI. This is however not the case: both left and right-leaning participants demanded regulation to the same extent, post PRI exposure. This is also the case for distrustful and trustful subjects: both decrease their demand for regulation of profits. Particularly interesting is the inclination of left-leaning respondents to change. How might we explain this?

Gilbert, James and Shogren (2018) assert that if part of the motivation to impose regulations comes from a wish to punish no repentant firms that are causing negative societal outcomes, the admission of responsibility and the regret implied by PRIs could lead observers to forgive companies and relax their penal zeal. This dynamic seems particularly relevant for those on the left, as they are traditionally more critical (Gingrich, 2011: 268).

However, a somewhat different explanation can be posited, which has to do with the intersection of our cognitive biases, namely *confirmation bias*, defined as seeking or interpreting of evidence in ways that are partial to existing beliefs, expectations, or a hypothesis in hand (Nickerson, 1998) and *self-enhancing bias*, the tendency to view one self and what the self is doing in a more positive light (Krueger, 1998), and two aspects that can be argued as essential to political activity: (1) the belief that one's own political view is correct and (2) the view that political activity can facilitate meaningful societal change and welfare outcomes. Research suggests that those to the left support the notion that firms ought to be socially responsible actors as opposed to mere shareholder-value maximizers (Detomassi, 2008). This support can take many tangible forms. Left-leaning individuals may for example spread information regarding the need (or deeds) of socially responsible firms, participate in protests, as well as support corporate and public policy that facilitates social responsibility. Now, after all this "campaigning", it seems that PRIs could function as a confirmation that the left-leaning individual was indeed correct about the need for socially responsible firms, something that firms now openly acknowledge. Furthermore, the PRI would signal that the (plausible) effort that the left-leaning individual has invested pays dividend in changed corporate behavior. In other words, the PRI is a signal that leftist politics is winning and that the struggle was worth it. As a result, left-leaning observers change their demand for regulation as a confirmatory gesture of success for self-enhancing purposes.

Concerning trust, the results suggest that the PRI has the same effect for those with high trust in other people and low trust in other people. The reason for this might be that those with low trust do not view firms in the same way that they view humans. After all, the descriptive question posited was not if subjects trust elderly care firms, but other people? This finding would be in contrast with research that suggests that people today relate to firms in the same way they relate to humans (Fournier, 1998; Aggarwal, 2004). It seems that low trust for other people did not impact to what extent people entrusted firms. A conclusion that one might draw is that elderly care firms are not

viewed in the same way as humans. This brings us to the notion that firms might want to present themselves in a more “human” way, depending on the objective. Finland is generally perceived as a high-trust society (Böhnke, 2005), which suggest that if elderly care firms were to invest in being perceived more humane, firms might tap into the reservoirs of trust in Finnish society.

6.5 Why depth and breadth did not widely influence preferences

Malthora, Monin and Tomz (2019: 23) emphasize that people do not often know the reference points for proposed public policies in the real world. In the case of this thesis, few experiment participants are likely to know that the government enforced minimum staffing requirement in Finnish elderly care is 0.5 per elderly. To mimic this real-world political tendency, the experimental survey did not introduce the level of the status quo staffing in elderly care. However, if the exact status quo were to be introduced, it is plausible that the shallow PRI, that is, an 30 % increase in the staff/elderly ratio would seem less exciting. A 30 % increase to 0.5 amounts to 0.65, which is less than the transitional 0.7/elderly policy adopted by the Finnish government. Similarly, a deep PRI with a 70 % increase to 0.5 amounts to 0.85, which is more than 0.7 but perhaps not to the degree that average non-expert observers would perceive it as enormous. In sum, given that subjects are not likely to know what the exact baseline is, which the PRI is increasing, both 30% and 70 % could be perceived as significant concession by the firm. Now, this suggests that firms might use this type of strategic framing to boost their PRIs in the eyes of the public.

Concerning breadth, it seems that when subjects were introduced to the narrow PRI they did not reflect on the notion that only half of the elderly care firms participated in the PRI and the potential implications of this. As suggested by Malthora, Monin and Tomz (2019: 22), a reflective and critical observer would perhaps reason that sizable number of firms engaging in socially responsible PRIs, does not amount to an acceptable substitute for government regulations that usually encompasses all firms. Second, if participation is narrow, critical observers might worry about adverse selection, in which those elderly care firms that are most keen on cutting costs by minimizing staff opt out, leaving partaking to firms that already carry a large number of nurses. Consequently, just because several elderly care firms implement compelling PRIs, does this impact the

question whether elderly care firms are allowed to profit? And just because some firms appear to increase staffing and, in the process, put elderly health over profits, should all firms be allowed to determine employment minimum, or be viewed as disinterested about profits? A distrustful and critical observer might say no on all three counts. The results of the survey experiment suggest however that the PRIs put aside these concerns, if there were any initially.

6.6 Societal implications

So what societal implications can we draw from the results in this thesis? Similarly, to the results of Malthora, Monin and Tomz (2019), the results suggest that elderly care firms can use quite minute private regulation to persuade the public to view them more favorably, to the degree that they are less eager to demand regulation. A (cynical) realist take would be that this dynamic incentivizes firms to implement superficial and toothless reforms, especially when trying to please voters, politicians, and bureaucrats (Malthora, Monin and Tomz, 2019: 34). Provided that there has been much public debate and several government interventions into privately run elderly care facilities, it is quite possible that elderly care firms might use PRIs to decrease political risk. However, might there be another interpretation that is more constructive? One way to go about it is to be more context specific.

There is quite a broad consensus among Finnish healthcare policymakers from, both left and right, that the Finnish healthcare should be predominately a single-payer system supported by the private sector (Suomen Lääkäriliitto, n.a; Sosialidemokraatit, n.a.; Kokoomus, n.a.). As this thesis has intended to showcase from a specific perspective, this system brings complex trade-offs of efficiency and ethicality (Suomen Lääkäriliitto, n.a.). It so follows that just because firms have the means to behave in adverse way that make it difficult to regulate them sufficiently, they cannot easily be sidelined in the current social- and healthcare system. Instead, one ought to translate the findings of this theses, and the results of Malthora, Monin and Tomz (2019) for that matter, in a way that can improve the symbiosis of private and public healthcare: there is no market for private social-and healthcare services if the government does not allow it, but the government lacks capacity without the public sector. Being dependent on the regulator's mercy, firms could incorporate private regulation into their long-term strategy in order to ensure a

healthy and stable relationship with voters and politicians who are more or less concerned with business logic. If firms are interested in cultivating such a relationship, the results of this thesis are promising. Observers, even left-leaning, seem to be more than ready to embrace self-regulating firms and in so doing entrust them with greater freedoms and legitimacy. Subsequently, with little investment, there seem to be a real opportunity for social- and healthcare firms to establish themselves as “health authorities”, who do not need to shake in fear prior to every government inspection.

How should the government react the apparent ease with which social- and healthcare firms can reduce the public demand for regulation? A reactionist government would immediately start to mistrust all private regulation claims made by firms in fear of being played. But as mentioned earlier, the government needs private firms to be able to offer social- and healthcare to its citizens. Hence, one could argue that the government would benefit greatly in its constitutional duty to provide all citizens with social- and healthcare, if firms were to harness the power of private regulation. In what way, one might ask?

One might argue that firms can save resources due to the stabilization of the regulatory landscape. As mentioned earlier, an unstable regulatory landscape is often assumed to lead firms to engage in strategic behavior and short-term profit-maximization before the market becomes overly regulated (Taloustaito, 2017). Hence, political stability could decrease margins and result in actors entering the market who might settle for lower profit margins (Taloustaito, 2017). In the scenario that is put forward here, the lower profit margins would come from PRIs implemented by firms. However, the revenue drop could be outweighed with lower uncertainty and decreased resource allocation towards anticipating, and reacting to, policy changes, unfavorable media, lawsuits, consumer complaints and government inspections.

In sum, the results of this thesis can be interpreted pessimistically or optimistically depending on which normative welfare outcomes one aspires to – punishing firms so that they won’t use PRIs to avoid regulation, or to harness the demand for socially responsible firms that seem to exist in Finnish social-and healthcare sector.

6.7 Future research

The results of this thesis and the scope of the theme gives rise to many avenues of future research. First off, the same experiment could be conducted with a more representative

sample, which would include important stakeholders in the policymaking process: activists, ordinary citizens, and government officials.

Relating back to the previous discussion concerning the notion that PRIs have to be deeper and/or broader if perceptions of institutional arrangements, such as the firm as a profit-seeker above else are to change; it would be interesting to further explore this aspect.

Moreover, I agree with the call for further replication made by Malthora, Monin and Tomz (2019) during periods of partisan gridlock or regulatory rollback. Malthora, Monin and Tomz (2019) argue that stakeholders might view even shy PRIs as important accomplishments. Hence it would be fascinating to apply similar methodology and focus during different levels of gridlock or regulatory momentum.

Another aspect that I find interesting for future research, similarly to Malthora, Monin and Tomz (2019), is the question whether firm charity work or activism outside the firm's core domain (e.g., an agricultural firm raising awareness for mental health) have spill overs on the regulatory discussed in this thesis?

A final avenue for future inquiry is to what extent private regulation claims is present in the Finnish social- and healthcare sector and what forms it may take in the communication of Finnish social- and healthcare firms. The prevalence of private regulation rhetoric could be investigated qualitatively through systematically assessing media material as well as firm communication.

7 CONCLUSIONS

Much of the political science literature that find the relationship between politics and business interesting focus mainly on how firms use lobbying to secure wanted public policies. This thesis furthers the novel research on a particularly interesting political strategy: private regulation. Consequently, this thesis demonstrates that there is more ground to cover as the relationship between business and politics is ever more entwined. Theoretically, the thesis makes a multidisciplinary contribution to the discussion on private regulation by introducing the concept of market repugnance (Roth, 2007) and the political psychology taboo-tradeoff framework (Fiske and Tetlock, 1997) and then constructing an integrated political economy Market Repugnance Control Model (MRCM).

On an empirical level, this thesis represents the first inquiry to private regulation in the domain of Finnish social-and healthcare, and more specifically, private elderly care. The thesis also represents the first experimental study that intends to empirically examine how private regulation initiatives influences the potential market repugnance of observers, in this case, Finnish university students and recently graduated professionals. Although not being a representable group for the wider society, the attitudes of millennials and generation Z will be instrumental in the formation of the future welfare state and social-and healthcare policy.

The experiment results provide clear indications of the effectiveness of private regulation initiatives. When subjects were asked whether profits should be allowed in elderly care they held more positive views towards profits after exposed to the PRI. The same dynamic also materialized when subjects evaluated whether firms should be allowed to independently determine minimum staffing requirement per elderly. Furthermore, subjects were also more trustful for the prospect that elderly care firms prioritize the health of elderly before profits, after informed with the PRI.

The findings in this thesis have potentially significant societal implications particularly in the domain of private sector influence on government social- and healthcare policy. Private regulation is a political strategy that firms can use to decrease demand for stringent government regulation. In addition, the results suggests that firms needn't use a lot of resources to decrease demand for regulation. However, the results also suggests that there is a demand among the public for more socially responsible firms. Even those

on the Left are ready to reward firms that display a tangible commitment to responsible conduct with greater freedoms and increased legitimacy. This could ideally nudge firms towards a more responsible and a more societally embedded conduct.

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APPENDIX 1 DEEP AND BROAD EXPERIMENTAL SURVEY IN SWEDISH

Denna enkät är en del av min magisteravhandling och är helt anonym. Läs noggrant igenom hela formuläret och fyll i svaren.

Om du vill vara med i en utlottning av 5 st. Wolt-presentkort med ett värde på 20 € per presentkort som delas ut av mig så kan du valfritt fylla i ditt telefonnummer i slutet av enkäten.

I dagsläget får finska företag göra vinst på äldrevårdstjänster. Vissa tycker däremot att den finska staten inte bör tillåta äldreomsorg som organiseras av vinstdrivna företag. De menar att det är oetiskt att företag gör stor vinst på äldre. Bland annat beskylls företag för att skära kostnader genom att anställa minsta möjliga antal personal som staten tillåter, något som riskerar de äldres välbefinnande. Andra tycker att staten bör tillåta att privata företag gör vinst på äldreomsorgen och att företagen själv ska få bestämma hur många de anställer. De menar att ett vinstförbud samt reglering av antalet anställda gör det svårt att bemöta behovet av äldreomsorg, sänker kvaliteten på äldreomsorgen och höjer kostnaderna för samhället.

Tycker du att staten bör tillåta eller inte tillåta vinster inom äldreomsorg? 1 = bör absolut inte tillåta 7 = bör absolut tillåta

1 2 3 4 5 6 7

Tycker du att äldreomsorgsföretagen själva ska få bestämma eller inte bestämma minimiantalet personal som de anställer, istället för att staten gör det? 1 = ska absolut inte få bestämma, 7 = ska absolut få bestämma

1 2 3 4 5 6 7

På en 1–7 skala, hur mycket litar du på att äldreomsorgsföretagen i första hand ser till de äldres bästa, framför vinsten? 1 = litar absolut inte, 7 = litar absolut

1 2 3 4 5 6 7

Äldreomsorgsföretag gör ibland mer än vad statens regler kräver för att sköta om de äldre. Anta att ALLA finska äldreomsorgsföretag frivilligt ökar antalet personal som finns tillgänglig per patient med trettio procent (70%). Om alla företag frivilligt gör detta, utan att staten kräver det, vad tycker du då om att staten skulle reglera vinster, att företagen själva bestämmer minimiantalet personal och hur mycket skulle du lita på att äldreomsorgsföretagen ser till sina kunders bästa, framför vinsten?

Tycker du att staten bör tillåta eller inte tillåta vinster inom äldreomsorg? 1 = bör absolut inte tillåta 7 = bör absolut tillåta

1 2 3 4 5 6 7

Tycker du att äldreomsorgsföretagen själva ska få bestämma eller inte bestämma minimiantalet personal som de anställer, istället för att staten gör det? 1 = ska absolut inte få bestämma, 7 = ska absolut få bestämma

1 2 3 4 5 6 7

På en 1–7 skala, hur mycket litar du på att äldreomsorgsföretagen i första hand ser till de äldres bästa, framför vinsten? 1 = litar absolut inte, 7 = litar absolut

1 2 3 4 5 6 7

Ålder: _____

Kön: Man _____ Kvinna _____ Annan _____

Yrke: _____

Inom politiken pratar man ibland om “vänster” och “höger”. Var skulle du placera dig på en skala där 0= vänster och 10= höger?

0 1 2 3 4 5 6 7 8 9 10

Skulle du säga att man i allmänhet kan lita på de flesta människor eller att man inte kan vara nog försiktig när man har att göra med andra människor? Svara på en skala från 0 till 10, där 0 betyder att man inte kan vara nog försiktig och betyder att man kan lita på de flesta människor.

0 1 2 3 4 5 6 7 8 9 10

Fyll i ditt telefonnummer om du vill vara med i en utlottning av 5 st. Wolt-presentkort med ett värde på 20 € per presentkort som delas ut av mig. Om du vinner så skickar jag en promotionskod i din email som du kan använda i Wolt-appen. Efter prisutdelningen raderas telefonnummren genast.

APPENDIX 2 DEEP OCH NARROW EXPERIMENTAL SURVEY IN SWEDISH

Denna enkät är en del av min magisteravhandling och är helt anonym. Läs noggrant igenom hela formuläret och fyll i svaren.

Om du vill vara med i en utlottning av 5 st. Wolt-presentkort med ett värde på 20 € per presentkort som delas ut av mig så kan du valfritt fylla i ditt telefonnummer i slutet av enkäten.

I dagsläget får finska företag göra vinst på äldrevårdstjänster. Vissa tycker däremot att den finska staten inte bör tillåta äldreomsorg som organiseras av vinstdrivna företag. De menar att det är oetiskt att företag gör stor vinst på äldre. Bland annat beskylls företag för att skära kostnader genom att anställa minsta möjliga antal personal som staten tillåter, något som riskerar de äldres välbefinnande. Andra tycker att staten bör tillåta att privata företag gör vinst på äldreomsorgen och att företagen själv ska få bestämma hur många de anställer. De menar att ett vinstförbud samt reglering av antalet anställda gör det svårt att bemöta behovet av äldreomsorg, sänker kvaliteten på äldreomsorgen och höjer kostnaderna för samhället.

Tycker du att staten bör tillåta eller inte tillåta vinster inom äldreomsorg? 1 = bör absolut inte tillåta 7 = bör absolut tillåta

1 2 3 4 5 6 7

Tycker du att äldreomsorgsföretagen själva ska få bestämma eller inte bestämma minimiantalet personal som de anställer, istället för att staten gör det? 1 = ska absolut inte få bestämma, 7 = ska absolut få bestämma

1 2 3 4 5 6 7

På en 1–7 skala, hur mycket litar du på att äldreomsorgsföretagen i första hand ser till de äldres bästa, framför vinsten? 1 = litar absolut inte, 7 = litar absolut

1 2 3 4 5 6 7

Äldreomsorgsföretag gör ibland mer än vad statens regler kräver för att sköta om de äldre. Anta att HÄLFTEN av alla finska äldreomsorgsföretag frivilligt ökar antalet personal som finns tillgänglig per patient med sjuttio procent (70%). Om hälften av alla företag frivilligt gör detta, utan att staten kräver det, vad tycker du då om att staten skulle reglera vinster, att företagen själva bestämmer minimiantalet personal och hur mycket skulle du lita på att äldreomsorgsföretagen ser till sina kunders bästa, framför vinsten?

Tycker du att staten bör tillåta eller inte tillåta vinster inom äldreomsorg? 1 = bör absolut inte tillåta 7 = bör absolut tillåta

1 2 3 4 5 6 7

Tycker du att äldreomsorgsföretagen själva ska få bestämma eller inte bestämma minimiantalet personal som de anställer, istället för att staten gör det? 1 = ska absolut inte få bestämma, 7 = ska absolut få bestämma

1 2 3 4 5 6 7

På en 1–7 skala, hur mycket litar du på att äldreomsorgsföretagen i första hand ser till de äldres bästa, framför vinsten? 1 = litar absolut inte, 7 = litar absolut

1 2 3 4 5 6 7

Ålder: _____

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Inom politiken pratar man ibland om “vänster” och “höger”. Var skulle du placera dig på en skala där 0= vänster och 10= höger?

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Skulle du säga att man i allmänhet kan lita på de flesta människor eller att man inte kan vara nog försiktig när man har att göra med andra människor? Svara på en skala från 0 till 10, där 0 betyder att man inte kan vara nog försiktig och betyder att man kan lita på de flesta människor.

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Fyll i ditt telefonnummer om du vill vara med i en utlottning av 5 st. Wolt-presentkort med ett värde på 20 € per presentkort som delas ut av mig. Om du vinner så skickar jag en promotionskod i din email som du kan använda i Wolt-appen. Efter prisutdelningen raderas telefonnummren genast.

APPENDIX 3 SHALLOW AND BROAD EXPERIMENTAL SURVEY IN SWEDISH

Denna enkät är en del av min magisteravhandling och är helt anonym. noggrant igenom hela formuläret och fyll i svaren.

Om du vill vara med i en utlottning av 5 st. Wolt-presentkort med ett värde på 20 € per presentkort som delas ut av mig så kan du valfritt fylla i ditt telefonnummer i slutet av enkäten.

I dagsläget får finska företag göra vinst på äldrevårdstjänster. Vissa tycker däremot att den finska staten inte bör tillåta äldreomsorg som organiseras av vinstdrivna företag. De menar att det är oetiskt att företag gör stor vinst på äldre. Bland annat beskylls företag för att skära kostnader genom att anställa minsta möjliga antal personal som staten tillåter, något som riskerar de äldres välbefinnande. Andra tycker att staten bör tillåta att privata företag gör vinst på äldreomsorgen och att företagen själv ska få bestämma hur många de anställer. De menar att ett vinstförbud samt reglering av antalet anställda gör det svårt att bemöta behovet av äldreomsorg, sänker kvaliteten på äldreomsorgen och höjer kostnaderna för samhället.

Tycker du att staten bör tillåta eller inte tillåta vinster inom äldreomsorg? 1 = bör absolut inte tillåta 7 = bör absolut tillåta

1 2 3 4 5 6 7

Tycker du att äldreomsorgsföretagen själva ska få bestämma eller inte bestämma minimiantalet personal som de anställer, istället för att staten gör det? 1 = ska absolut inte få bestämma, 7 = ska absolut få bestämma

1 2 3 4 5 6 7

På en 1–7 skala, hur mycket litar du på att äldreomsorgsföretagen i första hand ser till de äldres bästa, framför vinsten? 1 = litar absolut inte, 7 = litar absolut

1 2 3 4 5 6 7

Äldreomsorgsföretag gör ibland mer än vad statens regler kräver för att sköta om de äldre. Anta att ALLA av alla finska äldreomsorgsföretag frivilligt ökar antalet personal som finns tillgänglig per patient med trettio procent (30%). Om alla företag frivilligt gör detta, utan att staten kräver det, vad tycker du då om att staten skulle reglera vinster, att företagen själva bestämmer minimiantalet personal och hur mycket skulle du lita på att äldreomsorgsföretagen ser till sina kunders bästa, framför vinsten?

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**APPENDIX 4 SHALLOW AND NARROW EXPERIMENTAL SURVEY
IN SWEDISH**

Denna enkät är en del av min magisteravhandling och är helt anonym. noggrant igenom hela formuläret och fyll i svaren.

Om du vill vara med i en utlottning av 5 st. Wolt-presentkort med ett värde på 20 € per presentkort som delas ut av mig så kan du valfritt fylla i ditt telefonnummer i slutet av enkäten.

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