

CONTENTS

| | | |
|----------|---|----|
| 1 | Introduction | 1 |
| | <i>References</i> | 7 |
| 2 | Barriers to Reform | 9 |
| | <i>Special Interests and Public Goods Traps</i> | 10 |
| | <i>Negativity Biases and Ideational Traps</i> | 11 |
| | <i>Public Opinion and Preference Falsification</i> | 12 |
| | <i>Difficult Tasks Ahead</i> | 13 |
| | <i>References</i> | 14 |
| 3 | Two Reform Countries | 17 |
| | <i>Case Selection and Method</i> | 17 |
| | <i>Sweden</i> | 20 |
| | <i>Australia</i> | 21 |
| | <i>Antipodal Wonders?</i> | 22 |
| | <i>References</i> | 28 |
| 4 | Explaining Institutional Change | 31 |
| | <i>Economic and Social Conditions, Power Resources, and Interests</i> | 32 |
| | <i>Ideas, Beliefs, and Values</i> | 34 |
| | <i>Policy Entrepreneurs</i> | 39 |
| | <i>References</i> | 42 |

| | | |
|----------|---|------------|
| 5 | Reform Cycles and Reform Strategies | 49 |
| | <i>The Reform Cycle</i> | 49 |
| | <i>The Concept of Statecraft</i> | 51 |
| | <i>Reform Strategies</i> | 53 |
| | <i>Remaining Puzzles</i> | 58 |
| | <i>References</i> | 59 |
| | | |
| 6 | The Swedish Reform Process | 63 |
| | <i>The Famous Swedish Model</i> | 63 |
| | <i>New Ideas and Policy Entrepreneurs</i> | 69 |
| | <i>Financial Deregulation and Early Social Democratic Reforms</i> | 74 |
| | <i>Crisis and Shift of Policy Paradigm</i> | 84 |
| | <i>Debt Reduction and Structural Reforms</i> | 91 |
| | <i>A New Model Emerging</i> | 98 |
| | <i>Swedish Statecraft</i> | 103 |
| | <i>References</i> | 107 |
| | | |
| 7 | The Australian Reform Process | 113 |
| | <i>The Australian Settlement</i> | 114 |
| | <i>New Ideas and Policy Entrepreneurs</i> | 119 |
| | <i>Financial Deregulation and a Series of Structural Reforms</i> | 122 |
| | <i>From a Banana Republic to a New Narrative</i> | 133 |
| | <i>Debt Reduction and Continued Reforms Creating a New Model</i> | 136 |
| | <i>The Reform Process Comes to a Halt</i> | 141 |
| | <i>Australian Statecraft</i> | 143 |
| | <i>References</i> | 148 |
| | | |
| 8 | Modern Statecraft | 153 |
| | <i>Reform Cycles and Reform Strategies</i> | 154 |
| | <i>A Polycentric Effort of Experiential Learning</i> | 156 |
| | <i>Intrinsically Motivated Actors in the Central Zone</i> | 159 |
| | <i>Modern Statecraft Formulated</i> | 161 |
| | <i>Strategic Reforms</i> | 162 |
| | <i>The Intentionality of the Processes</i> | 163 |
| | <i>Why the Reform Processes Stopped</i> | 167 |

| | |
|---|------------|
| <i>Liberal Statecraft</i> | 169 |
| <i>Democratic Dilemmas</i> | 171 |
| <i>Do the Results Hold for Other Countries?</i> | 173 |
| <i>References</i> | 176 |
| 9 Summary and Conclusions | 179 |
| Index | 183 |