Table of Contents

Ac	knowle	edgements	11	
Introduction				
A.	Interest groups, pluralism, stagflation, and institutional sclerosis A.I. 'The Rise and Decline of Nations' - challenges to the			
		welfare state	24	
	A.II.	Mancur Olson's view on democracy and the rent-		
		seeking society	27 28	
	A.III.	The Logic of Collective Action		
		A.III.a. A theory on the nature of interest groups and their	• •	
		organisation	29	
		A.III.b. The acquisition of a public or collective good A.III.c. Importance and problems of 'The Logic of Collective	33	
		Action'	36	
	A.IV.	The Rise and Decline of Nations	38	
		A.IV.a. Extending 'The Logic of Collective Action' into the political sphere	39	
		A.IV.b. Empirical support in 'The Rise and Decline of Nations' A.IV.c. Importance and problems of 'The Rise and Decline of		
		Nations'	48	
В.	Furthe	er empirical research and interpretations of interest groups	51	
	B.I.	Empirical findings and case studies using Olson's approach	53	
	B.II.	Research deviating from Olson's methodology	55	
	B.III.	Interest groups and political volatility	60	
C.	Interest groups and institutions 6			
	C.I.	Why institutions exist	67	
	C.II.	Uncertainty and transaction costs	69	
	C.III.	Structure and enforcement of property rights	75	
	C.IV.	Organisations and stability	80	
D.	Factor	rs of long-term economic growth	89	
	D.I.	Open societies, democracy, pluralism, or open access order	89	
	D.II.	Factors for stability	92	
	D.III.	Advancing the understanding of organisations and institutions	96	
	DIV	Pluralism and economic growth	97	

E.	Stagna	ation or s	atability	109			
F.	Plural outloo	ralism – Stability and resilience through a quasi-indefinite regime look					
G.	Sweden – Unlegislated industrial relations and protracted						
		transformation					
	G.I.	The roa	d to the Swedish model	136			
		G.I.a.	The early Swedish public policy	138			
		G.I.b.	Overcoming the Great Depression and the				
			Second World War	141			
	G.II.	The Sw	edish model	142			
		G.II.a.	Policy beginnings	144			
		G.II.b.	Adapting the capital market	147			
	G.III.	The Rel	hn-Meidner model	149			
		G.III.a.	Theoretical foundations	149			
		G.III.b.	Practical application	154			
	G.IV.	Transfo	rmation and traditions	158			
	G.V.	Breakdo	own of the Swedish model	159			
		G.V.a.	Economic factors	160			
		G.V.b.	Political factors	163			
		G.V.c.	Areas of policy conflict and international economic				
			integration	168			
		G.V.d.	Why the Krona was defended	178			
	G.VI. Return to the Swedish model						
	G.VII	Conclus	sion and outlook	185			
Η.	Israel	– The ris	e, the decline, and the re-invention of the				
	Israeli	Econom	y	191			
	H.I.	The eco	nomic tradition of 'old' Israel	191			
		H.I.a.	From communitarian settlement to an ethno-				
			republican dirigisme	194			
		H.I.b.	The principles of the economic policy	202			
		H.I.c.	The financial market	204			
		H.I.d.	Investment policy	209			
		H.I.e.	Cost-of-living-allowances	211			
		H.I.f.	Politico-economic policy patterns	213			
		H.I.g.	The tax system	215			
		H.I.h.	The Histadrut state	216			
	H.II.	The dec	line of the 'old' Israeli economy	224			
		H.II.a.	Stagnation, inflation, and policy volatility	225			
		H.II.b.	Reasons and policy agendas attributable to the decline	234			

Table of Contents

H.III.	Transaction costs of inflation	244	
H.IV.	The 'new' Israel		
	H.IV.a. The Economic Emergency Plan of July 1985	246	
	H.IV.b. The re-invention of the Israeli politico-economic		
	character	250	
H.V.	How and why Israel overcame stagflation, price and		
	wage rigidities	259	
H.VI.	Conclusion and outlook	267	
Conclusion			
Bibliography			
Index			