



# **Economists and Neoliberal Reform**

## **Profession and Power in Tax Policy-Making. 1980-2010**

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### **Abstract**

Why do some advanced capitalist countries go further than others in neoliberal reform? Why do some states seek to achieve economic growth through policies that emphasize economic efficiency and level playing fields while others pursue prosperity by stimulating specific economic sectors and activities? Challenging conventional ideational, partisan and political-institutional accounts, this dissertation proposes a professional explanation for neoliberal reform. Based on insights from the sociology of professions and the state and bureaucracy literatures, the thesis argues that the extent of neoliberal reform in large part is a function of the position of neoclassical economists within the state.

To explore this argument, the dissertation examines tax policy-making in four small states in the period 1980-2010, namely New Zealand, Ireland, Norway and Denmark. The comparison of both similar cases with different outcomes and different cases with similar outcomes - that is, a "mixed systems design" - allows us to evaluate a set of explanations for neoliberal reform. Based on official documents, secondary literature and more than 70 interviews with policy-making elites, the analysis combines comparative analysis, process-tracing and counterfactual reasoning.

The dissertation finds that neoliberal tax policies were adopted in some countries (New Zealand and Norway) and not in others (Ireland and Denmark) because of the varying entrenchment of the economics profession within the state. Where economists obtained a prominent position in the state during the Keynesian era, finance bureaucracies were highly receptive to the neoclassical ideas that spread within the economics discipline in the 1970s and 80s. Where the position of economists was weak or fragmented, neoclassical thinking did not break through. The position of neoclassical economists in the bureaucracy had a profound impact on policy-making not only because it determined what ideas were present, but also because the specific expertise and behavioural norms of neoclassical economists strengthened their influence vis-à-vis politicians in the formulation of policy. These findings contribute to a growing literature about the role of the economics profession in the diffusion in neoliberal policies.



**Jury:** Niamh Hardiman (University College Dublin), Pepper Culpepper (EUI), Johan Christensen (candidate), R. Kent Weaver (Georgetown University), Sven Steinmo (EUI) (supervisor)

### **Bio**

Johan Christensen holds an MA in Political Science from the University of Oslo. During his Ph.D., he has been a visiting fellow at the Victoria University of Wellington (New Zealand), the University of Copenhagen and the University College Dublin. In his research, Christensen is interested in economists and bureaucracies, or more specifically, the role of the economics profession within different policy-making organizations. Both comparative and historical perspectives are prominent in his research.

In September 2013, Christensen will take up a postdoctoral position at the Scandinavian Consortium for Organizational Research (SCANCOR) at Stanford University.