

## Book Reviews

**Beyond the Welfare State.** Economic planning and its international implications. Gunnar Myrdal. Yale University Press, New Haven, Conn., 1960. xiii + 287 pp. \$4.50.

This book presents a simple, three-step thesis: (i) the democratic countries are moving, by necessity, towards the welfare state; (ii) welfare state planning has become, by necessity, nationalistic, and has contributed to international economic disintegration; (iii) despite all past failures and expected future difficulties, a new effort at international cooperation through supranational planning must be attempted.

In advancing this thesis Gunnar Myrdal uses economics, political science, and social psychology, but beyond that every page, in one way or another, reflects his personal experience. Myrdal does not look at his topic in the detached manner of the ivory-tower scholar. As a leading Swedish expert on political economy and, at times, an active political leader, he was one of the architects of the Swedish welfare state. For a decade he had the often frustrating task of guiding the staff work of a United Nations agency for Europe (embracing East and West European countries). In recent years he has become thoroughly familiar with the struggle and plight of the Southeast Asian countries; his wife is the Swedish ambassador to India, and he directed a research project on Southeast Asian countries for the Twentieth Century Fund.

It is fascinating to see how Myrdal has combined the varied experiences of his life into a consistent structure of thought. The reader cannot help being impressed by his sincerity, intellectual integrity, and sober idealism. However, the fact that Myrdal looks at political, economic, and social world events, from the perspective of his own experience, in such an outspoken manner, also explains certain oversimplifications and exaggerations in his picture.

His picture of the welfare state is very much painted after the Swedish model. Interesting is Myrdal's observation that manifold and often contradictory government interventions and regulations characterize only the early stages of development in the welfare state. With advances in planning by public and private organizations, a "debureaucratization" can take place and voluntary organizations become of growing importance. In the last analysis, he regards the welfare state as "a system of social morals" (page 95) and speaks of the ideal of a "Welfare Culture." [Incidentally, he forgets his own thesis when he says that the "Welfare State . . . is an increasingly regulatory one" (page 168)].

He observes that active citizen participation, particularly in running local government and voluntary organizations—for example, in unions and business organizations, is less intensive in the United States than elsewhere (read: Sweden). He offers as the explanation of this deficiency in the United States—the remnants of separatistic allegiances in a country populated largely by immigrants. He is, however, very optimistic concerning "the rise in efficiency, democratic control and honesty, particularly in the private power groups and the authorities for provincial and municipal self government, where the deficiencies were biggest and are still considerable" (page 55).

Myrdal is merciless in emphasizing that welfare policies are responsible for the international economic disintegration. I believe he exaggerates this point. Disintegration of the international economic system of the 19th century had its origin in conditions much older and broader than welfare state policies. However, it is true that modern policies were not very successful in establishing a well-working, world economic system. Examples given by Myrdal include: the failure to stabilize international prices of primary products (in contrast with

actions taken to stabilize domestic agriculture and mineral prices); the failure to stimulate a flow of private capital from highly developed to under-developed countries; the failure to organize *international* programs of foreign aid (in contrast with programs that are sponsored mainly by the United States) of adequate scale and efficiency.

His explanation is that "the international and common interests have no organized pressure groups in the protective Welfare State of the rich countries . . ." (page 243).

I am surprised that Myrdal overlooked the fact that a primary objective of the modern state (what he calls the welfare state) is the maintenance of full employment and the mitigation of violent economic fluctuations. This domestic policy is also the most effective support for maintaining a high level of imports. It is in striking contrast with the policy of "exporting unemployment" of a generation ago.

In Myrdal's regret about the lack of international planning, he plays down too much the significance of regional organizations such as the European Common Market. (We remember that he is a Swede). While Myrdal does not see the value of regional arrangements of industrial countries, he believes the underdeveloped countries should combine. He appears at times to advocate: "underdeveloped countries of the world unite; you have nothing to lose but your—markets!" What hope Myrdal has for future reconciliation between the nationalistic welfare state and the new world-order policies is not based primarily on the political pressure of the underdeveloped countries, but on his deep belief that "people at bottom, behind the facade of nationalistic attitudes, do believe in, and do desire, international cooperation" (pages 277 and 279). Domestically the task is to proceed from the regulatory phase of the welfare state to what he calls a "Welfare Culture"; internationally to proceed from the present nationalistic phase of the welfare state to an international "Welfare World." Both tasks of reaching "Beyond the Welfare State" are difficult but not hopeless. However, he believes that the political and psychological obstacles in the international field are much more serious than those that tend to obstruct the accomplishment of the domestic task.

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