

## Myrdal on the Formation of the Welfare State : A Methodological and Theoretical Interpretation

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Gunnar Myrdal is well known as a defender of the welfare state. His theoretical apotheosis on the welfare state was in *Beyond the Welfare State* (1960), where he discussed the common development of the welfare state in “Western countries” and the effect of such development on the world economy. We call the former discussion “the theory of the formation of the welfare state,” and the latter “the theory of the welfare world.” This paper analyzes “the theory of the formation of the welfare state.”

This paper is organized as follows. Section II situates Myrdal’s study on the welfare state within his economic writings. Especially, Myrdal’s political discussion about the population problem in the 1930s is differentiated from the theory on the welfare state in the 1950–60s. Section III interprets Myrdal’s economics as a whole from the viewpoint of his theory of cumulative causation. Section IV explains Myrdal’s key concept of “planning an unplanned development,” by which Myrdal’s basic viewpoint on the formation of

the welfare state is made clear. Section V analyzes the factors and mechanism of the formation of the welfare state. Myrdal pointed out three factors: (1) the sequence of international crises, (2) the tendency towards organization of markets, and (3) democratization. These factors were discussed in connection with changes in the popular mind or in institutions. In this section, we show the characteristics of Myrdal’s theory. Section VI describes Myrdal’s ideal welfare state. We examine the meaning of Myrdal’s value-based premises: “the long-inherited ones of liberty, equality, and brotherhood.” We insist that Myrdal’s vision of the future welfare state is like a “welfare society,” where active civil society exists and state intervention is limited. Finally, Section VII concludes that “the theory of the formation of the welfare state” has theoretical originality and should be reconsidered in the context of modern welfare state studies.

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