

Gunnar Myrdal's Role in Solving the Population Problem in Sweden in the 1930s

The Meaning of "Socialization of Consumption"

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The Myrdals are well-known for having played an important ideological role in solving the population problem in Sweden in the 1930s, which was the formative period of the Swedish welfare state. Their joint work published in the autumn of 1934 was so stimulating that it led to the establishment of "The Royal Commission on Population" in the following year, and Gunnar Myrdal became one of the founders.

Although almost all previous studies have dealt with the Myrdals' proposals, this paper delves into Gunnar Myrdal's individuality. He published *Population* in 1940 on the basis of the Godkin lecture in 1938, and it revealed his original and mature views.

Myrdal criticized both conservative pronatalism and neo-Malthusianism. His analysis on the declining fertility rate demonstrated the economic cause for such a decline and the problem of social structure. In his view, the population problem was not an individual moral problem, as conservatives insisted. He also criticized the fact that

neo-Malthusianism welcomed a declining population. Instead, he believed that a declining population would result in a decline in demand, which, in turn, would cause higher unemployment and poverty.

The key concept of his population policy was "socialization of consumption." As an economist, Myrdal advocated two demand-side policies: (1) investment, including central planning, subsidy, and public investment; and (2) "socialization of consumption," which implies both vertical and horizontal redistribution of income among social classes and family sizes. He focused on the latter because the former simply implied prescribing a remedy after the fact; however, the latter was a preventive, that is, a long-run supply-side measure. "Socialization of consumption" implied an integration of economic, social, and demographic policies.

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