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Gunnar Myrdal [Ideological Profiles of the Economics Laureates]

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Abstract

Gunnar Myrdal is among the 71 individuals who were awarded the Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel between 1969 and 2012. This ideological profile is part of the project called “The Ideological Migration of the Economics Laureates,” which fills [the September 2013 issue of *Econ Journal Watch*](#).

Keywords

Classical liberalism, economists, Nobel Prize in economics, ideology, ideological migration, intellectual biography.

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Gunnar Myrdal

by Benny Carlson⁴⁸

From the late 19th and up to the mid-20th century Sweden produced at least five world-famous economists: Knut Wicksell, Gustav Cassel, Eli Heckscher, Bertil Ohlin, and Gunnar Myrdal. Ohlin and Myrdal were leaders of the Stockholm School in the 1930s, leading figures within the Liberal and Social Democratic parties respectively and both were in the 1970s awarded the Sveriges Riksbank prize in economic sciences in memory of Alfred Nobel. Myrdal became one of the world’s most famous economists, building his reputation on, above all, *An American Dilemma* (1944a) and *Asian Drama* (1968), and he was awarded the Nobel prize in 1974 to a large extent for his “penetrating analysis of the interdependence of economic, social and institutional phenomena.”⁴⁹ Lloyd Reynolds wrote: “It is hard to think of any other economist of our generation who would have had the courage, competence, and energy to carry through studies of such sweeping scope” (Reynolds 1974, 488).

In this profile I focus on Myrdal’s ideological development up to his establishment as a leading Swedish democratic-socialist intellectual and world-famous institutional economist. I will initially tap heavily from two sources: Bo

48. Lund University, Lund, Sweden. I am grateful for comments and suggestions from Lars and Christina Jonung, and for assistance from Hannah Mead.

49. His co-laureate was Friedrich von Hayek, for many years his ideological foe.

Gustafsson (1989) and Walter A. Jackson (1990).⁵⁰ I will then focus particularly on Myrdal's conversion to institutionalism.

Karl Gunnar Myrdal (1898–1987) was born in the province of Dalarna, where his father was a farmer and building contractor. His family moved to Stockholm in 1904. To begin with, he followed in his conservative father's footsteps, but his ideological path would take him into the heart of the labor movement and into the machinery of government.

According to Jackson (1990, 41, 44), when Myrdal enrolled in high school he was regarded as “an outsider in the world of the Stockholm bourgeoisie;” he “sought to win acceptance from teachers and fellow students by embracing elitist views” but at the same time held on to democratic traditions from his childhood environment in Dalarna. During his high school years Myrdal was particularly influenced by his history teacher, John Lindqvist, who introduced him to the philosophy of the Enlightenment, and by the political scientist Rudolf Kjellén, leader of “the young conservatives”, a movement that was conservative in a nationalistic and anti-liberal sense, but radical in the sense of seeking, in an elitist way, a top-down transformation toward governmental management of labor and social welfare. Some of the ideas of Kjellén stayed with Myrdal throughout his life (Gustafsson 1989, 145). Kjellén had coined the enduring phrase “The People's Home” (*Folkhemmet*) in 1912 (Kjellén 1915, 53) and Myrdal would eventually be one of the leading architects behind the Social Democratic construction of “The People's Home” of the 1930s and forward.

Gustafsson (1989, 145) writes of Myrdal's high school years: “As of yet [Myrdal's] views were not distinctive but to a large extent resembled the mixed national-conservative and intelligence-aristocratic opinions which could be found among the intellectual bourgeoisie youth of the time.” Jackson (1990, 45) quotes a high school essay entitled “Small Nations' Contributions to World History” in which Myrdal stated that “the state goes before the individual” and that long-range planning of Swedish political and economic development was needed.

In 1918, Myrdal entered Stockholm University as a law student. Law did not please him, although it “gave him enhanced understanding of the importance of

50. Both Gustafsson and Jackson draw upon Andersson (1989); Gustafsson later (1998) wrote a portrait of Myrdal which will soon appear in a book edited by Christina Jonung and Ann-Charlotte Ståhlberg. Myrdal never wrote an autobiography but on several occasions summarized his own development (see, e.g., Myrdal 1969, 10) and in 1973 published a book entitled *I stället för memoarer* (the English title of the book was *Critical Essays on Economics* but the Swedish title re-translated into English would be *Instead of Memoirs*). On the other hand, the literature on Myrdal is huge. A concise portrait of Myrdal is found in Streeten (1987) and the contents and reception of Myrdal's major works are summarized in Barber (2008); both Streeten and Barber had been collaborators of Myrdal. A collection of Myrdal's works is available in Appelqvist and Andersson (2005) and another book on Myrdal by Appelqvist is on its way. A short exposition of Myrdal in public debate is available in Carlson and Jonung (2006).

institutional conditions for society's development" (Gustafsson 1989, 146). His basic outlook was however still the same. Jackson quotes at length from a speech on "The Crowd and the Intelligent" ("Massan och Intelligensen"), which Myrdal gave at a student club. Myrdal called for a "party of the intelligent" to direct Swedish politics in the coming era of mass politics (democracy). This party of the intelligent would make use of scientific techniques to manipulate and control the "irrational" masses and it would be able to "defend the national interest against selfishness and class-egoism." Jackson (1990, 46) concludes that this speech "reflected Myrdal's youthful infatuation with the Nietzschean idea of the superman,⁵¹ as well as his enthusiasm for Kjellén's ideas," and continues:

The enfant terrible exaggerated his arguments for the sake of debate with his fellow students on this occasion, but a strong element of elitism would remain in Myrdal's thought in the years ahead. Even after joining the Social Democrats in 1931, he would emerge as a strong advocate of social engineering and planning, working closely with intellectuals from other political parties on royal commissions and parliamentary committees. Like the young Walter Lippmann in the United States and Sidney and Beatrice Webb in Britain, Myrdal would combine an interest in social welfare with a belief that experts had a key role to play in shaping public policy and in stabilizing parliamentary democracy. (Jackson 1990, 49)

During most of the 1920s Myrdal would stay away from politics (except for writing political articles on behalf of his conservative father) and focus on his academic career. He had met Alva Reimer, his future wife, in 1919. She had Social Democratic leanings and exerted a powerful influence on him "toward a greater concern for social reform and equality" (Jackson 1990, xv). She also tilted him in a different direction when she encouraged him to read economic literature and procured Gustav Cassel's *Theoretische Sozialökonomie*.⁵² Soon he enlisted with Cassel at Stockholm University where his elitist ideas were not dampened. "Admission to Cassel's elite circle of students gave Gunnar Myrdal a sense of being chosen for leadership and recognized as what Swedes of that day called an 'intellectual aristocrat'" (ibid., 53). According to Jackson, Myrdal's views were for a while in the mid-1920s, like Cassel's, "essentially liberal":

51. Sissela Bok (1991, 72-73) points to her father's "Nietzschean faith in himself as different." "He saw his talent as releasing him from ordinary norms of responsibility toward others."

52. Interviewed by Lars Jonung in 1986, Myrdal recalled: "At first I read it [Cassel's book] completely uncritically. That's how it began" (Myrdal 1987, 327).

These ideas were, however, continually criticized both by Alva and by others in their circle who were concerned with the problems of the poor. [...] Challenged by Alva's questions and criticisms and stimulated by a brilliant circle of young Swedes who delighted in debunking the received wisdom, Gunnar Myrdal developed into a most unconventional economist. (Jackson 1990, 55)

In his economic studies, Myrdal was mainly wrestling with theoretical issues and in 1927 defended his dissertation on *Prisbildningsproblemet och föränderligheten* (*Price Formation and Economic Change*). In 1928 he started giving lectures aimed at criticizing classical and neoclassical economics. Two years later, this critique had grown into a book, *Vetenskap och politik i nationalekonomien*, which many years later was published in English as *The Political Element in the Development of Economic Theory* (1953). Among Myrdal's sources of inspiration, when he "sought to expose the hidden value premises and political goals of economists through a study of the history of ideas" (Jackson 1990, 56), were Max Weber and the Swedish philosopher Axel Hägerström. Myrdal himself (1953, vi) characterized the book as "a frontal attack on the dogmas of the older generation." Jackson writes that it was a kind of catharsis for Myrdal, liberating him from the conservatism of his father as well as the "naïve objectivism" of his teacher Cassel; nonetheless, at the end of the 1920s, Myrdal "still lacked a stable political viewpoint" (Jackson 1990, 58).

Yet remarks by Myrdal about the 1920s, from his later work *Objectivity in Social Research* (1969) are at variance with Jackson's characterization. Myrdal says that the older generation of economists in Sweden were "broadly of the *laissez-faire* variety" and continues:

Like most economists of my generation in Sweden, I had different views on policy. To begin with, we were of an interventionist mind. We wanted, for instance, to plan public action in order to mitigate the widespread unemployment during the depression after the end of the First World War. We had, then, to refute our elders. (Myrdal 1969, 7)⁵³

A series of events would induce Myrdal to take strong positions. In 1929–30 Gunnar and Alva spent nine months in the United States. As they arrived in the U.S., the Wall Street stock market collapsed and the Great Depression unfolded. A couple of years later, in 1932, Social Democrats came into power in Sweden; they would hold on to it for 44 consecutive years. These dramatic events shaped Myrdal

53. This statement is a bit curious, however, since Myrdal began his economic studies after the depression that came after the First World War.

into a Social Democratic politician and, eventually, an institutionalist economist, two interconnected roles that would make him a celebrity in Sweden and the world.

In October 1929, the Myrdals, having been awarded fellowships from the Rockefeller Foundation, left for the United States. In his book *Against the Stream* Myrdal recalls:

When my wife, Alva Myrdal, and I first came to America at the end of the Twenties for a year as Rockefeller fellows, the ‘wind of the future’ was institutional economics. This was then the New Economics, as I remember a collection of essays was called. The approach was conceived to be in line with three great American economists: Veblen, Commons and Mitchell, of whom the latter two were still living and active. [...] At that time I was utterly critical of this new orientation of economics. I was in the ‘theoretical’ stage of my own personal development as an economist. (Myrdal 1974, 6).

Nonetheless, Myrdal was eager to know what was going on among U.S. economists, as can be seen from a letter to Cassel dated October 29, 1929:

What I shall do here is above all to get a grip on ‘the American trend of economics’. I want to find out about the underlying economic theory and methodology, especially among all these young people who are so critical of our old theory.⁵⁴

The Myrdals were not committed to any single university but travelled around the U.S. Gunnar met with institutionalists Wesley Mitchell and John Maurice Clark at Columbia and John Commons at Wisconsin. He found Mitchell “well-informed, brilliant and earnest” (letter to Cassel, October 29, 1929) and reported that Commons “taught me to bowl and also tried to get me to understand the legal foundations of capitalism, the former with much greater success than the latter” (letter to Gösta Bagge, April 7, 1930).⁵⁵ In another letter to Cassel (March 24, 1930), Myrdal mentioned topics for lectures he was to give in Madison, Wisconsin, and wrote by hand in the margin: “Next day ‘American institutionalism’.” It thus seems as if Myrdal gave a lecture on American institutionalism in Commons’s backyard! Once back in Sweden, Myrdal wrote (letter to Cassel, February 7, 1931) that he was “in process of thinking out a lengthy book which will deal with

54. Letter in the Myrdal file at the Labour Movement Archives and Library in Stockholm.

55. One detail worth mentioning is that in an interview (by Benny Carlson, January 3, 1982) Myrdal labeled Gösta Bagge, for whom he worked on a cost of living study in the late 1920s, as an institutionalist economist.

development, the economy and institutions. It sounds mystic but will probably be quite wise if I can only think it through.”⁵⁶

Myrdal eventually became—alongside John Kenneth Galbraith—the world’s most renowned institutional economist. One would expect that his early acquaintance with U.S. institutionalism might have had something to do with this. Myrdal however claimed that his development towards institutionalism “had nothing to do with American Institutionalists. [...] I’m just my own institutionalist in a way” (Angresano 1997, 163).

Myrdal’s explanation for his conversion to institutionalism is this: During their 1929–30 study tour he and Alva were confronted with America’s social problems and became democratic socialists. “It was in America that we became politically active Social Democrats” (Myrdal 1982, 143). Back in Sweden he first devoted himself to monetary theory but soon became involved in the construction of the Social Democratic welfare state. The final step came when he started working on *An American Dilemma* in 1938. The conclusion he arrived at, summarized in an article on “Institutional Economics,” was this: “All the ‘non-economic’ factors—political, social, and economic structure, institutions and attitudes, indeed all interpersonal relations—have to be included in the analysis” (Myrdal 1978, 772).

Myrdal’s conversion to institutionalism has been subject to considerable attention among researchers. A chronological odyssey through some of their conclusions may be justified.

Alan Gruchy (1972) does not dig into Myrdal’s conversion but positions his holistic “economics of integration” within the neo-institutional school together with Clarence Ayres, John Kenneth Galbraith, and Gerhard Colm.

Erik Lundberg (1974, 472-473) says that for a short period between 1925 and 1933 Myrdal was a pure theorist, but adds a reservation: “During his period as an economist of ‘pure theory’, Myrdal signaled his dissatisfaction with the results of the isolated theoretical reasoning and indicated that in the future economics should move in the direction of ‘institutionalism?’”

James Angresano (1981, 42, 151, 158, 161) basically accepts Myrdal’s story, but divides his development into three stages: Myrdal I (1915–33), II (1933–38) and III (1938–) and considers that the work on *An American Dilemma* from 1938 onwards signified a breakthrough in Myrdal’s development “although the seeds of the basic ideas were prevalent in Myrdal I and II.” Angresano also concludes that Myrdal “is not simply an institutionalist in the American tradition” but “has developed his own brand of institutionalism which, although closely akin to that of

56. All letters in the Myrdal file at the Labour Movement Archives and Library in Stockholm.

the American institutionalists, embodies his own methodology and conception of institutional change.”⁵⁷

Kurt Dopfer (1988, 227-228) takes a somewhat ambiguous view: Myrdal started off as a traditional monetary economist, and it was only during his grappling with practical problems that he found conventional economics to be too narrow. At the same time his analysis was more empirical from the start, expressing “a deeper understanding of the behavior of economic agents and of the institutions in which they operate.”

Ina Kay Van Loo (1989, 9-10, 21) accepts the picture of two Myrdals. “As a young man, he was a theoretical Keynesian economist; later he became an institutional economist.” She suggests two explanations of his becoming an institutionalist: Through his personal experiences in diverse fields of activity and diverse parts of the world the importance of diversity of customs dawned upon him. Through his interest in the economic development of different nations he became aware of the scale and complexity of problems and therefore came to adopt a broader approach.

Bo Gustafsson (1989, 149) notes that as early as in his criticism of the free trade doctrine in *The Political Element*, Myrdal displays “the signs of an institutionalist economic theory.”

According to Gilles Dostaler (1990, 216) we need to be suspicious of all assertions to the effect that Myrdal’s work can be divided into two phases. Myrdal’s early work already contained many of the elements which were to figure in his subsequent institutionalist works. After examining these early works, Dostaler declares: “Thus, the oft-mentioned, so-called, clear-cut dividing line in Myrdal’s intellectual development does not exist.”

Walter Jackson (1990, xv, 45, 57, 61-62, 105) contends that on his arrival in the U.S., Myrdal “was particularly trying to understand the institutional economists” and when he met Commons he “was much more receptive to institutional economics than he had been at the start of his year in America.” Many events and individuals lay behind this increased receptiveness. In Jackson’s view the dumbfoundedness of classical economics in face of the Great Depression turned Myrdal “towards an interest in social engineering, institutional economics,

57. In a second book on Myrdal, Angresano (1997, 33, 42-46, 57-58, 67, 85) modifies his periodization somewhat: the years 1929–1933 are seen an overlapping phase between Myrdal I and II, a phase when Myrdal at the same time appeared as “anti-institutionalist” and advocated “an analysis of society’s ‘institutional set-up.’” Although Myrdal had met leading institutionalists in 1929–1930 he “would remain faithful to many aspects of the neoclassical perspective for a few more years, and defend this perspective against the rising tide of institutional economics in America.” At the same time some institutionalist seeds were growing in his mind. According to Angresano one can at the end of the day conclude “that GM III is more of an institutionalist in the strict sense of the term than the American institutionalists, for he has been willing to advocate institutional reform.”

and interdisciplinary social science research.” Jackson believes that the influence of Alva impelled Gunnar “toward practical, interdisciplinary research”: “Through her he met many more psychologists and sociologists than he otherwise would have.”

Allan Carlson (1990, 41-42) points out that *The Political Element* represented “a significant step in Gunnar Myrdal’s development toward a multidisciplinary involvement in economics, political science, social psychology, and sociology.” One of Myrdal’s points in the book was precisely “the emphasis on the relationship between economic and institutional changes.” “However, prior to the autumn of 1929 and despite some early interest in social-economic and institutional problems, both Alva and Gunnar Myrdal remained ‘academics’ in the strict sense of the word. Gunnar’s work was principally centered on theoretical economics.”

Philippe Adair (1992, 166) cites Myrdal’s encounters with Mitchell and Commons. “Though Myrdal sympathized with the institutionalists and shared some of their criticisms of orthodoxy, he was not won over to their ideas”; he was repelled by their naive empiricism.⁵⁸ In Adair’s (1992, 168, 170-71) opinion, further developments took the form of a convergence in which on the one hand the institutionalists evolved their doctrine and on the other Myrdal imbibed “a definite holistic approach that stressed institutional factors and the interdisciplinary nature of the social sciences.” Myrdal’s development took place in several stages: by 1933 he had moved far enough with regard to the role of value-judgments for it to be possible to speak of “the first feature of his passage from a theoretical phase to an institutional one.” The next step was taken in 1938 when he embarked on the project of the American “Negro problem.”

Paul Streeten gives a concise exposition of Myrdal’s own account:

At first a pure theorist, Myrdal’s year in the United States as a Rockefeller fellow...turned his interest to political issues. ... His involvements in Swedish politics between 1931 and 1938 turned him from a theoretical economist into a political economist and what he himself describes as an institutionalist. (Streeten 1992, 112)

Jan Olof Nilsson (1994, 141) notes that Myrdal to begin with was critical of institutionalism but at the same time attracted to some parts of it, since institutionalists were critical of neoclassical economics and stressed that economists should take interest in the whole social fabric. “During his time in the USA

58. Myrdal (1972, 281-282) writes that the methodological approach of the older American institutionalists “in fact remained considerably more naive in this respect than it was among the economists who held fast to the classical tradition.” “As a result of their remarkably naive empiricism they forced me to become fully conscious of the need for a rational method of introducing value-premises into economic research.”

Gunnar became ever more positive towards institutional economic theory, especially after his visit to University of Wisconsin.”

William Barber (2008, xiii, 15, 134-135, 166-167) concludes that Myrdal in the early stages of his career—in the 1920s and early 1930s—was “hostile to what he understood an institutional economics to be.” He developed “an enthusiasm for an institutional approach” in *An American Dilemma* and this approach was fully developed in *Asian Drama*.

There is thus among Myrdal scholars a range from unreserved acceptance of Myrdal’s story (Streeten) to serious doubts (Dostaler).

In 1932, Myrdal wrote an article on “The Dilemma of Social Policy” in which he argued for economic planning and social engineering, for “an intellectual and coldly rational” social policy ideology (Myrdal 1932, 25), an article which “united all the major themes of Gunnar Myrdal’s early work [and] signaled the beginning of his career as political activist” (Jackson 1990, 71). In 1932, he also joined the Social Democratic Party, which won the elections in the fall of that year. Myrdal drafted the new government’s first budget and wrote a memorandum to the budget on business cycles and public finance which formed the theoretical basis for the government’s countercyclical crisis policy. In 1934 Myrdal succeeded Cassel as professor of economics and finance at Stockholm University—already in his inaugural lecture he advocated a planned economy—and was elected to the Swedish parliament, the *Riksdag*, in 1936. In just a few years Myrdal had established himself as leading architect behind a new Swedish “People’s Home.” This position was strengthened not least by his and Alva’s 1934 book *Kris i befolkningsfrågan* (*Crisis in the Population Question*). In a stroke of genius the Myrdals captured this question from the conservatives and used it for their own purpose, as (to use the words of Eli Heckscher) “the crowbar with which to turn obdurate Swedish society upside-down” (Carlson 1994, 134). In Gustafsson’s (1998, 63) characteristic the book contained no element of “speculative and radical socialist ‘utopism’” but was rather focused on solving everyday problems. Anyway, “[t]he architecture of the Swedish welfare state was thus put in place under the smokescreen of the population argument” (Barber 2008, 59).⁵⁹

Myrdal continued full steam ahead in politics until 1938 when the Swedish government announced a “reform pause” at the same time as the Carnegie Corporation invited him to conduct a study on the American race issue. Jackson (1990, 81) summarizes this phase of Myrdal’s career: “From 1932 to 1938 he had involved himself in political life as an economic planner, author, public speaker,

59. Yvonne Hirdman, in her book *Att lägga livet till rätta* (*Adding Life to Grips*) (2010, 98), characterizes Gunnar and Alva Myrdal as “‘ideal types’ for Swedish social engineering: intellectual, radical and ‘modern.’”

member of royal commissions, member of Parliament, and director of the Bank of Sweden.” In Timothy Tilton’s words, “there can be no doubt about Myrdal’s impact upon Swedish social and economic policy; wherever one looks—family policy, countercyclical policy and economic planning, housing, the school system, agriculture, sexual enlightenment, women’s issues—the imprint is visible” (Tilton 1992, 36).

Myrdal was a democratic socialist. According to Streeten, his approach was “one of neither Soviet authority and force nor of capitalist laissez faire but of a third way” (Streeten 1992, 127). He regarded himself as an heir of Utopian rather than Marxist socialism. In an obituary, socialist Michael Harrington wrote:

He was also quite proud of not being a Marxist. “We Swedes have socialized distribution, not production,” he liked to say. He would insist that he was an heir of the 18th Century, not the 19th, of the Enlightenment rather than of Marxism. At the same time, he addressed me as “brother.” (Harrington 1987)

During the late 1930s and early 1940s Myrdal directed his energy into *An American Dilemma: The Negro Problem and Modern Democracy*, which helped “destroy the ‘separate but equal’ racial policy in the United States”; Myrdal thus “literally left his mark in a footnote to history—the famous footnote 11 to the United States Supreme Court’s 1954 ruling that segregation in public schools was unconstitutional” (New York Times 1987).⁶⁰ Barber (2008, 78) consequently designates the book as “one of the few works of scholarship to alter the course of history” and Gustafsson (1998, 625) states that Myrdal was now acknowledged as “one of the greatest social scientists” of his time. The book demonstrated how Myrdal’s approach differed from Marxist socialism: “Myrdal’s rejection of Marxist determinism and his insistence that the moral ideas had both an authentic autonomy and the power to move events made him an obvious target for the ideological left” (Barber 2008, 78).

Back in Sweden in 1944 Myrdal issued *Varning för fredsoptimism* (*Warning Against Postwar Optimism*), re-entered into the *Riksdag*, and became chairman of the powerful commission for postwar planning. Another battle over economic planning erupted. When the war ended and Social Democrats in 1945 formed a new government, Myrdal was appointed Minister for Trade and Commerce. He got involved in several tricky decisions—a trade and credit agreement with the Soviet

60. David Henderson (2008) notes that in *American Dilemma* Myrdal “showed that Franklin Roosevelt’s economic policies had badly hurt blacks.” Myrdal singled out two New Deal policies in particular: restrictions on agricultural output and the minimum wage.

Union and a revaluation of the Swedish currency—and resigned in 1947. This was the end of his immediate involvement in Swedish politics.⁶¹

Myrdal's career now took a global turn. He became Executive Secretary of the United Nations Economic Commission for Europe in Geneva for ten years and devoted the following ten years to his magnum opus *Asian Drama: An Inquiry into the Poverty of Nations*, said to be “probably the post WW2 most ambitious effort to clarify the institutional preconditions of modernization” (Gustafsson 1998, 626). The toil behind the book exacted a heavy toll and Myrdal sometimes despaired: “What in hell am I doing and when will it ever be ready? Writing a book like that is like standing in the trenches of the First World War up to your knees in mud” (Bok 1991, 289). From 1960 Myrdal was professor of international economics at Stockholm University and soon also founded and headed the Institute for International Economic Studies at Stockholm University.

In his later days Myrdal somewhat revised some of his earlier positions. An early adopter of Keynesianism (or perhaps even a forerunner),⁶² he turned somewhat against Keynesian policies just as the economics profession at large was accepting it. Myrdal suggested that in practice, such policies were often inflationary and tended to hurt the poor (New York Times 1987). He also criticized several facets, not least bureaucratization, of the Swedish model built by Social Democrats, in a 1982 book titled *Hur styrs landet? (How Is the Country Governed?)*. However, he defended himself against accusations of having become conservative and invoked his earliest influences:

From my earliest childhood I have imbibed the tough work ethic from the people of Dalarna, which I have always myself lived by, but also a lot of their personal obstinacy and especially their aversion against bureaucrats, who at that time still in this part of the country were associated with the rebelliousness against the king's bailiffs in the old days. (Myrdal 1982, 11)

61. About this phase of Myrdal's life, see Appelqvist (1999; 2000).

62. The Stockholm School of Economics, to which Myrdal belonged, advanced alongside Keynes in the early 1930s (see Jonung 1991). Barber's comment upon Myrdal's work on monetary theory goes like this: “If his contribution had been available to readers of English before 1936 [when Keynes's *General Theory* appeared], it is interesting to speculate whether the ‘revolution’ in macroeconomic theory of the depression decade would be referred to as ‘Myrdalian’ as much as ‘Keynesian’” (Barber 2008, xi).

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John F. Nash Jr.

by Daniel B. Klein and Ryan Daza

John Nash (1928–), was born in Bluefield, West Virginia. Nash's father was an electrical engineer and served in France during WWI. His mother studied at West Virginia University and was a schoolteacher (Nasar 1999, 26-27). His mother, recognizing Nash's awkwardness and brilliance, pushed him hard both socially and academically, making his education "a principal focus of her considerable energy" (ibid., 31, 33). Bluefield had the "highest per capita income in the state during the [19]30's and 40's and was home to a handful of millionaires" (Nasar 1994). Nash said of Bluefield: "[It] was not a community of scholars or of high technology. It was a center of businessmen, lawyers, etc. that owed its existence to the railroad and the rich nearby coal fields of West Virginia and western Virginia. So, from the intellectual viewpoint, it offered the sort of challenge that one had to learn from the