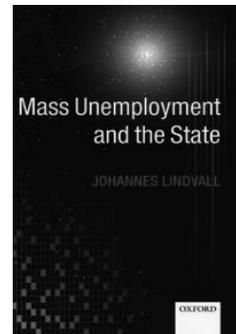


BOOK REVIEW:**MASS UNEMPLOYMENT
AND THE STATE**

JOHANNES LINDVALL
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Unemployment was a keenly felt problem for most Western European states during the 1970's and 1980's. When the problem of unemployment arose again in the 1970's and advanced throughout Western Europe there were already policies in place that were based upon high employment and growth rates.

The book argues how the threat of unemployment became a fact in Europe and how four European countries –Austria, Denmark, the Netherlands and Sweden–responded to unemployment problem within the following two decades. The method adopted by the author is comparative analysis, in which the author focuses his attention on different responses given to the same problem, by similar West European countries. The similarities starting from political arrangements and social policies to demographic features lead the author rise an intriguing question: Why did these four countries respond differently to the unemployment problem in spite of all their similarities?

The author's argumentation is simply based on two separated blocs of countries, Austria-Sweden and the Netherlands-Denmark. These two blocs differentiate in responding the unemployment problem due to couple of reasons. The more stable ones in terms of political arrangements, Austria and Sweden changed their economic policy from full employment to low inflation and balanced budget a decade later than the other bloc, the Netherlands and Denmark. On the other hand, the Netherlands and Denmark responded the problem of unemployment by adopting different domestic policies at the time of the oil crisis. All these West European states, similarly where strong social democratic parties are dominant in politics, passed through different processes after the oil-crisis and the problem of unemployment. Divergent domestic policies, perceptions and responsiveness of public institutions paved the way for a transformation in economic policy. In a

nutshell, the conclusion underscores one major point: as a response to the problem of unemployment, political circumstances have played the key role in determining economic and labor market policies.

“Mass Unemployment and the State”, written by Professor Lindvall, makes an important contribution to the literature. As the author stated in the very first chapters, heretofore, political aspects of the subject have been neglected in comparative analysis and this is what the book brings back in. Together with politics, the book is also concerned with main macroeconomic, monetary and labour market policies. The author makes very clear explanations by touching upon each policy separately and shows the causal relations very well. Accordingly, this study sets a good example for us to better understand the political circumstances behind the economic policies, especially in times of economic turmoil.

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