The Political Economy Family: A Metaphor

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Political economy is a family in which the parents are economics and political science. An old saying claims that opposites attract and often marry; however, for any marriage to work there must be a set of shared values. Economics and political science seem to be opposites that share some common values. This marriage has produced several offspring: some of the older of which are marxism, institutionalism, development economics, and comparative systems. In this paper we will discuss the marriage of political science and economics in terms of how they are opposites and yet share common values.

Both of the principals of this family, economics and political science, support one another in a variety of ways and across a broad range of issues; however, there remain unresolved antagonisms, points of contention, and domains of exclusivity which preclude or interfere with consensus. Economics and political science both move along a multi-dimensional continuum which at first glance may appear disjunctured. There are, nevertheless, several intersecting axes which reveal the influence of both principals, some elements of a set of common values, and how political science and economics may first diverge then converge.

People and academic disciplines are complex creatures, descriptions of which are always incomplete. A person that is cool and calm, every now and then, does get angry, and a discipline that can generally be described by a given set of characteristics, on occasion, will violate that description. In our discussion of political science, economics, and other disciplines we will use sweeping generalizations which usually characterize these disciplines, while admitting here that these disciplines do not always perfectly match our descriptions.

Opposites attract. Economics focuses on absolutes; whereas, political science deals in comparisons and relationships. One subcomponent of political science describes, analyzes, and unravels the intricacies of relations - how do different nations, peoples, or cultures relate, how do their relative aggregate and disaggregate power bases compare, is their relationship built on symmetric or asymmetric power, are they equilibrium or disequilibrium, and so forth. In economics, a firm is either profit maximizing or not, a country is either on or off its production possibilities frontier, and policymakers either are or are not taking proper steps to correct inflation or unemployment. If comparisons are made in economics, it is to an ideal - economists do not tend to say that firm A is closer to profit maximizing than firm B; instead they compare each firm separately to profit maximizing ideal. Political science rarely uses ideals; instead they would say that person A has more power than person B. Economic's tendency to use ideals causes it to see things as "either/or" - either you are efficient or not, either you are rational or not, either you can control price or not; in contrast to the "comparison" nature of political science which causes it to see its main variables - like power, change, security, and stability - on a spectrum which ranges from extreme to little and events are placed on this spectrum based on how they compare to other events from the time period considered.

One particular important example of the difference between economic's "absolutes" and political science's "relativity" is their continual argument over the "gains from trade." Economists draw their trade graphs (either supply and demand or trading possibilities curves can be used) and show, un equivocally, that both parties benefit from free trade. However, political scientists argue, correctly, that one party may gain more than the other. Interestingly, in development economics an offspring of the marriage of political science and economics, the possibility that trade may actually hurt a nation is considered - see Bhagwati on "immizerization."

This example of trade brings up another way that economics and political science are different - economics tends to focus on economic gains whereas political science is concerned, not only with economic gains, but also the implications
and repercussions of trade policies on a range of interests and power relationships. Political science asks many questions about trade. Where are there windows of vulnerability and windows of opportunity? What effect will the policies have on security, on third parties, and on systemic change? Will there be a spillover effect and what will result? Consider the case of oil. The U.S. benefits from importing oil from OPEC, which has a lower opportunity cost for producing oil; however, at the same time, the U.S. would be adversely affected if OPEC shut off the supply of oil — i.e., vulnerability is increased by buying oil from OPEC. In a similar fashion, economists laud the benefits of pure competition while ignoring the vulnerability of individual firms within pure competition — if some purely competitive firms gain a slight advantage they drive their competitors out of business. Likewise, some political scientist ignore the immediate gains from a strong benevolent dictator, choosing, instead, to focus on how much potential damage a powerful dictator can do.

Perhaps part of the reason political science focuses on vulnerability and economics on immediate gain is because political science tends to assume change, whereas economics tends to assume the status quo will continue. In political science, power is chameleonic, constantly in flux and an actor must continuously adapt to the changes in order to meet core, middle range, and long term goals. In economics, change, especially due to external shocks, are aberrations and the process of adjusting to these changes are often treated as instantaneous.

In economics, the current income and wealth distributions are assumed; whereas in political science, inequitable distributions may lead to courses of action which result in destabilization of the system and increasing demands for change. In the supply and demand model of economics, the needs and desires of those without money are ignored since they are not "able" to buy. In political science, the poor and disenfranchised may represent a great challenge and threat to the status quo; and the system must respond to system demand if systemic instability is to be managed or prevented.

Economics focuses on choices; whereas, political science examines the limitation of choice. An economist would argue that the poor can choose on what to spend their (meager) incomes, but a political scientist may argue that the poor’s "menu of choice" is limited by virtue of their needs and economic position — that empowerment of individual choice is correlated to who has and who does not have. If the U.S. explicitly or implicitly offers to enhance the national security interests of another country and part of those arrangements include an agreement to import American goods, then an economist would say that country has a choice between increased vulnerability or buying American exports — a political scientist would say that that nation was "forced" to import American goods to decrease vulnerability. To some this distinction may appear to be like the argument over a glass being 1/10ths full or 9/10ths empty. However, this distinction seems to make a big difference when ethical arguments are introduced. Giving someone a choice "appears" to be ethically superior to forcing that actor to do something. Furthermore, if the poor have choices, we can more easily dismiss them and ignore their plight; if, however, they have been deprived of choice, it seems unethical to ignore them and/or to add to their deprivation by pursuing economic and or political policies which may further deprive them of options and opportunities.

Economics assumes that people maximize their own utility or satisfaction. Political science assumes that actors maximize power. To the extent that income and wealth leads to both personal satisfaction and degree of power, these approaches overlap. However, the political science view that an increase in one's level or dimension of power entails a proportionate decrease in the power base of another seems to imply that the unfettered pursuit of power may not be in the best interest of the whole. This contrasts to the economic view that, except for a few exceptions such as externalities and monopolies, the unconstrained pursuit of personal satisfaction produces Pareto optimal results. Indeed, political science examines how the assumed pursuit of power can be maximized or alternatively limited while economics looks at how the assumed pursuit of utility can be enhanced.

Opposites attract. Political science deals with relatives, the dangers of trade, change, and the limitation of choice. Economics deals with absolutes, the gains from trade, the status quo, and the existence of choice. Political science may argue from a frame of reference which suggests that an actor's natural desire to maximize both interest and power may need to be constrained. Economics argues that usually the unconstrained natural pursuit of personal
satisfaction is best for society.

Why do opposites attract – perhaps because the greater the differences, the greater the gains from trade. A more complete view of the world is acquired by being able to see it through the eyes of both economics and political science. This is particularly true for two of the oldest offspring from the marriage of political science and economics – development economics and comparative systems. A complete view of developing nations or a balanced comparison of different systems is only possible if both choices (economics) and the limitation of choices (political science) are considered, if both the profit/utility motive (economics) and power motive (political science) are recognized, and if both the status quo (economics) and how it is changing (political science) are considered.

In spite of their differences, economics and political science do share some common values. Both extensively use notions of equilibrium. Both treasure objectivity and both desperately, desire to be viewed as “scientific.” Most importantly, both have as a goal increasing the wellbeing of society. This goal may not be explicitly stated in each and every policy, but it can be seen in the values and arguments of these disciplines. Economics talks about Pareto optimality, how “society” gains from trade, and how “society” can get the most out of its resources. Political science addresses how stability can be promoted, vulnerability diminished, and the dangers of unfettered power seeking reduced, all of which would help society.

This set of shared values between economics and political science, and their differing perspectives, may become the foundation for the construction of a new paradigm and taxonomy to deal with the interconnecting relationships involving multinationalism, transnationalism, global interdependence, regionalism, and the emergence of new economic and political centers. Together, economics and political science can explain and analyze these phenomena better than either can alone.