



The Constitution of Political Economy

The two dominant conceptions of political economy are based on either reducing political decisions to rational-choice reasoning or, conversely, reducing economic structures and phenomena to the realm of politics. In this book, Adrian Pabst and Roberto Scazzieri contend that neither conception is convincing and they argue for a fundamental rethinking of political economy. Developing a new approach at the interface of economic theory and political thought, the book shows that political economy covers a plurality of dimensions, which reflect internal hierarchies and multiple relationships within the economic and political sphere. *The Constitution of Political Economy* presents a new, richer conception of political economy that draws on a range of thinkers from the history of political economy, recognising the complex embedding of the economy and the polity in society. Effective policy-making has to reflect this embedding and rests on the interdependence between local, national, and international actors to address multiple systemic crises.

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The Constitution of Political Economy

Polity, Society and the Commonwealth

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Contents

<i>List of Tables</i>	<i>page</i> viii
<i>Preface</i>	ix
<i>Acknowledgements</i>	xi
Introduction: Rethinking Political Economy	1
The Complex Identity of Political Economy	1
Beyond the Boundaries of Economics and Politics	3
Outline of the Book	4
Part I Interdependence and the Economic Constitution	
1 Political Economy in Question	13
1.1 Political Economy as a Contested Field	13
1.2 Dichotomies in Economic and Political Theory	17
1.3 Relational Embeddedness and Intellectual Traditions	22
1.4 Constitution versus Contract	26
1.5 The ‘Three Bodies’ of Political Economy	31
1.6 Towards a Constitution of Economic Policy	34
2 Sociability and Interdependence	38
2.1 Relational Positions within the Social Sphere	38
2.2 Proportionality and the Social Order of the Economy	39
2.3 Dispositions and the Body Politic	43
2.4 Spheres of Interdependence and Patterns of Sociability	49
2.5 Aggregation, Systemic Interest, and Conflict	57
2.6 Sociability, Circumscription, and Partial Similarity	60
3 Association and the Division of Labour	62
3.1 The Association of Interdependent Activities	62
3.2 Modes of Association, Division of Labour, and Levels of Activity	64
	v

Cambridge University Press & Assessment
 978-1-108-83109-3 — The Constitution of Political Economy
 Polity, Society and the Commonwealth
 Adrian Pabst, Roberto Scazzieri
 Frontmatter
[More Information](#)

3.3	Process Balancing and Extent of the Market: Routes to the Division of Labour	68
3.4	Production Regimes and Proportionality Conditions	70
3.5	Straight-Line versus Job-Shop: A Fundamental Duality in Production Regimes	72
3.6	Production Regimes and Social Structures	80
3.7	Modes of Association and Structural Change: The Material Constitution of a Dynamic Polity	85
	Appendix: Capabilities, Tasks, and Materials in Production Structures	89
4	The Constitution of the Economy	96
4.1	Constitution and Interdependencies	96
4.2	Modes of Association, Dispositions, and Interests	97
4.3	Group Affiliations and Constitutional Arrangements	102
4.4	A Constitutional Taxonomy	107
4.5	The Economy as a 'Constituted' Body	109
4.6	The Constitutional Framing of Economic Policy	118
 Part II Political Spaces and Policy Actions		
5	A Political Economy of the Body Politic	125
5.1	The Human Condition of Sociability	125
5.2	Contractualism and Contemporary Political Economy	128
5.3	Foundations of Contractualist Political Economy: A Critical Assessment	131
5.3.1	The Primacy of the State over the Economy and Society	132
5.3.2	The Primacy of the Economy over Society and the Polity	137
5.4	Civil Economy as Political Science: Doria and Genovesi	139
5.5	Civil Life as an Evolutionary Process: Hume, Smith, Beccaria, and Filangieri	145
5.6	The Primacy of Association: Montesquieu, Burke, and Tocqueville	149
5.7	Association and the Body Politic	154
6	Constellations of Interests and Institutional Architecture	156
6.1	Positions, Interests, and Structures of Interdependence	156

<i>Contents</i>	vii
6.2 Constellations of Interests and Constitutional Settlements	159
6.3 Cleavages, Associations, and the Economic Constitution	163
6.4 Conciliation of Interests	168
6.5 From Partial Interests to Systemic Interest	170
6.6 Patterns of Interdependence and Systemic Interest	172
6.7 Patterns of Systemic Interest and Institutional Architectures	176
6.8 Institutional Dynamics, Interdependence, and the Formation of Policies	184
7 Policy Actions in an Embedded Polity	187
7.1 Constitution and Policy-Making	187
7.2 Embedded Policy-Making: Framework and Heuristics	188
7.3 Industrial Policy: Structural Interdependencies and the Governance of Production	195
7.4 Structural Liquidity and Embedded Credit Policy	199
7.5 International Trade: Multi-Level Arrangements and Relation-Specific Policy	205
7.6 Systemic Challenges, Resilience, and Policy Actions	208
8 Conclusion: The Constitution of Political Economy	215
8.1 Constitutional Principles and Transformation Maps	215
8.2 Dispositions, Interests, and Sequences of Change	216
8.3 Towards a Dynamic Theory of Political Economy	220
<i>References</i>	224
<i>Name Index</i>	259
<i>Subject Index</i>	266

Tables

2.1 A two-industry inter-connected economy	58
4.1 A taxonomy of economic constitutions	108

Preface

This book develops a new conception of political economy at the interface of economic theory and political thought. Our argument is that political economy covers a plurality of dimensions, which reflect the internal hierarchies and multiple relationships within the economic and the political sphere. We theorise political economy as the interdependence between these two spheres that rests on the web of social relationships in which both are embedded. Policy-making depends on recognising the complex interactions of the economy, the polity, and society.

An overarching theory is needed not only to conceptualise the nature of systemic crises such as pandemics, climate change disruptions, arms races, and struggles for resources facing the world today but also to help design effective policy responses. There are plural and interdependent domains involved in policy-making, which highlight the key role of coordination between local, national, and international actors as a necessary condition to reduce the vulnerability and enhance the resilience of humankind.

The theory of political economy developed in this book considers the economy and the polity as twin spheres arising from the constitution of society in its relatively persistent structure. The economic system and the ‘body politic’ are closely intertwined within each political economy, which is in turn a sphere whose ‘constitution’ is identified by specific proportions and an admissible range of transformations. A *constitutional heuristic* is therefore necessary to understand the interplay of persistence and change and to assess the feasibility of policy actions in any given context.

The intellectual strands underpinning our argument are manifold, but two traditions turn out to be central. The constitutional tradition in political theory is a major source of inspiration with its emphasis on the *lex supra regem* principle, which draws attention to the political order of society as a relatively invariant condition independent

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Polity, Society and the Commonwealth
Adrian Pabst, Roberto Scazzieri
Frontmatter
[More Information](#)

of the contingent acts of will of a sovereign authority. The structural tradition in economic theory is the other key influence behind our conception of political economy. This tradition emphasizes forms of interrelatedness between economic activities that derive from human actions but not necessarily from human design. Our book combines these two traditions in a unifying framework based on the relative invariance of certain relationships relative to others, and on the ‘order of motion’ that policy actions should follow under given constitutions of the economy and the polity.

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This work draws on a scholarly collaboration started almost twenty years ago when Adrian was a PhD student at the University of Cambridge and part of a group of researchers attached to the Centre for Research in the Arts, Social Sciences and Humanities (CRASSH) and Roberto was a visiting fellow at CRASSH, where we were both hosted by its director Ludmilla Jordanova. Our cooperation took shape as part of a collaborative project on ‘Migration of Ideas’ jointly sponsored by CRASSH and by the Institute of Advanced Study of the University of Bologna and continued shortly afterwards thanks to our joint involvement in the Centre for History and Economics at King’s College, Cambridge. In subsequent years, we continued an intense intellectual exchange through a variety of joint writing projects from the history of ideas to the theory of civil society and the theory of political economy.

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xiii

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