

Reimagining Political Economy Without “Yanking on a Thread before It’s Ready”

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The world urgently needs fresh thinking about political economy. Existing paradigms have largely run their course and failed to address lingering problems. The unprecedented changes since the Industrial Revolution have created serious challenges, even as living standards have improved in societies around the world. Some emerging interdisciplinary projects help address these challenges, but further progress will become harder as societies increasingly struggle to reconcile clashing goals. Scholars and policy-makers will be best positioned to draw actionable inferences from data and history and to make lasting contributions if they focus on the importance of policy experimentation and localized knowledge, systematic thinking about multiple timeframes, responding to the needs of people still living in crushing poverty, and humility about what any single intellectual or policy paradigm can accomplish.

Political economy builds coherent narratives – both descriptive and normative – connecting our economic pursuits, our political lives, and our social realities. Today, these narratives play out on a vast canvas, limning such diverse and specific activities as buying and selling Shanghai real estate, modernizing the American nuclear arsenal, limiting tort actions against pharmaceutical producers, and organizing a humanitarian response to floods affecting thirty million Pakistanis. Broader brushstrokes on the canvas depict vast improvements in South Korean living standards, Chile’s transformation into a modern economy, and California’s evolution into the most influential subnational region on the planet. From a greater distance, still broader themes emerge: the effects of the climate crisis on living standards in South Asia, or the continuing merging of human and machine decision-making epitomized by billions of smartphones in people’s pockets.

That canvas tells us something about why political economy defies easy understanding or alteration. It is daunting to even think about reimagining a subject defined by such complex, intertwined elements encompassing law, policy, institutions, norms, and technology. We often lack even a clear sense of the new imagery we might deploy, or the paints and brushes we could use to depict it. As Margaret Levi and Zachary Ugolnik suggest in their essay in this issue of *Dædalus*, what was

on the canvas before will often reemerge to bedevil reformers, as an artist’s penitenti sometimes return to the surface of their later work.¹

At least we can understand the task better if we situate the canvas in the *longue duree* of Harriet Martineau’s generalized laws of progress and science, or even Charles Darwin’s reflections on the nature of species. Humans have been around for three hundred thousand years; the entire history of political economy is a mere moment in geological time. Most of that period reflects striking continuity: only in the last several thousand years have humans experienced substantial changes in material well-being, or, depending on how you measure it, only since the early 1800s.² Since then, the rate of change has accelerated enormously, stoking disruption and conflict even as global living standards on average have improved dramatically.

This longer view suggests that sometimes history does not rhyme – it ruptures. The unsteady and tumultuous aftermath of the rupture encompasses the fossil fuel–driven rise of modern industry, the ammonia-fed Green Revolution, the weapons used in global wars, the welfare state, and the calculating machines that underpin modern information networks. Political economy may have timeless elements of distributional conflict and sustainability, but its distinctive post-rupture, industrial-strength incarnation is limited to a tiny sliver of human history. The resulting mix of long-term dilemmas and recent disruptions makes it hardly surprising that understanding political economy is daunting, or that concepts such as citizenship and prosocial norms require periodic revision.

In this spirit, I take up some of the themes underlying the larger project of reimagining a political economy that Levi and Ugolnik describe in their essay, discussing the questions they raise and the vexed relationship between ideas and action.

The road ahead poses formidable challenges. Those who would deploy political economy ought first to consider how best to learn from often-ambiguous data and historical experience before embracing comprehensive narratives serving up simple prescriptions to reform markets and political institutions. Particular choices about politics and policy, law, economics, and geopolitics should draw not just on normative theory or quantitative analysis with its heroic aspirations to isolate causal relations, but the rich textures and dappled realities of our world. They should be grounded in understanding of the particular, and the ability to build narratives across cases. The developmental trajectories of Chile, South Korea, and California, for example, illustrate the complex interplay of geopolitics, regime type, the role of social movements, and legal change in shaping the present. Drawing descriptive and normative insights about political economy from history requires subtlety, as does the translation of new political economic ideas into the particular institutional argots of places like Sacramento, Seoul, and Santiago.

Understanding context leads us to grasp how the micro-level foundations of political economy are still a work in progress. We must appreciate the similari-

ties and distinctions between, for instance, the free speech movement of the mid-1960s in Berkeley, the student protests that undermined the military dictatorship in South Korea in the 1960s, and the jumbled motivations and strategies that led to the 1988 referendum ending the Pinochet regime. We cannot reject the notion that humans can behave strategically, even as we interrogate the claim that all or most human behavior is strategic or rational. It would be foolish to think that sophisticated investors in financial markets face the same pressures, options, and dilemmas as (say) young people sorting through turbulent emotions about life, careers, status, desire, and romantic attachment. Viable macro-level depictions of the world must rest upon accounts of human behavior capacious enough to make sense of both bond-market dynamics and young peoples' contradictory efforts to make sense of the world. We do not need a single theory, but we do need more theorizing, perhaps even families of paradigms that each illuminate how specific features of human cognition map onto the complexity of an economy or an election.

The temptation to simplify for tractability's sake also afflicts our understanding of time: how we perceive our lives in its slipstream, and how we map its mysteries as we turn values into policy. As economist John Maynard Keynes bluntly put it, in the long run, we're all dead.³ Shorter timeframes are easier for politicians to work in and analyze. They are more viable in shaping policy and outcomes and, sometimes, in promoting shared interests (people may be more or ironically sometimes less willing to make shared sacrifices if they feel the payoffs sooner). Still, reimagining a political economy around shared interests may especially benefit from attention to intergenerational commitments and sustainability.

Taking timeframes seriously means paying attention to the analytical and policy trade-offs of different time scales, and ensuring that people trying to reimagine political economy don't just talk past each other. It also means addressing important (perhaps even profound) questions about which timeframes matter most in human experience. Philosopher Derek Parfit usefully reminds us not to take for granted even the idea that individuals are truly the "same" people across time.⁴ Parfit's insight helps us understand why legal arrangements are plagued by deep, recurring questions about timeframes' implications for classifying conduct and making sense of the human experience. How long does it really take for someone to "lie in wait" for premeditated murder? How often must conduct be repeated to constitute an illicit "pattern or practice," or "persecution" for asylum purposes? Institutions and intellectual processes that allow for more explicit dialogue and deliberation about relevant timeframes in different contexts – and across timeframes – may help.

As history and analysis get clearer, the normative questions sometimes get harder. Often societies may find they cannot have their cake and eat it too, even in a thoughtfully reimagined political economy. These are pain-

ful tradeoffs: between desiderata such as vibrant civic life, well-being of workers, innovative solutions to societal problems, sustainability, and the prevention of official cruelty; or between greater participation, deliberation, and democratic legitimacy on one hand, and efficiency in addressing social welfare and geopolitical challenges on the other. Those demanding justice for past events, such as Native American and African American communities in the United States, human rights and democracy activists in South Korea and Chile, and Native Americans and Latinos in California, may find their claims in tension with present or future-focused infrastructure projects. Geopolitics may create stark choices between promoting robust democracy or promoting cooperation between countries with vastly different political systems. Such tensions are likely to be particularly acute in the middle of a sustainability and climate crisis.

Although ideas often lack a completely linear relationship to action, here are some tentative directions for law and policy consistent with these reflections. Sensible reform in political economy is not utopian. It requires flexibility in testing how best to translate broad insights into specific contexts (for example, a version of the “laboratories of democracy” idea that Louis Brandeis articulated and, in this volume, Jenna Bednar’s essay refers to), as well as the institutional forms respectful of localized knowledge and adaptation that James Scott recommends.⁵ We should beware policy interventions and legal reforms that prioritize generalized, cross-cutting policy changes, and favor policies that may set bold directions but combine experimentation, reform, and continuous learning and adaptation.⁶

Efforts to reimagine political economy should also allow communities to deliberate thoughtfully about which timeframes matter and to whom, and to shape institutions with long time horizons, so that ideas and commitments in the present can help serve objectives meaningful to those in the future or the past. Such pluralism might be supported by robust philanthropic support for nonprofits with explicitly different time horizons, and planning agencies akin to Kim Stanley Robinson’s Ministry for the Future to represent different “chronological constituencies” without paralyzing policy-making.⁷

They should create space, too, for development-oriented priorities that take seriously the persistent and massive gaps in global welfare among the population of the planet, as well as concerns about values and human dignity stressed by the increasingly fraught geopolitical environment.

In a similar vein, societies need to build housing and storm drains, run schools, adjudicate disputes in a timely manner, and facilitate societal experiments while avoiding the routine imposition of far-reaching policies – to change the direction of a river, for example – that are enormously costly to reverse, even after societies learn enough to question their past priorities. People with localized knowledge

about how grand designs turn into housing, machines, parks, or procedures merit a seat at the table.

There are possible ways to do this, but there are obvious difficulties too. Consistency and analytical purity are alluring but risky, and in some cases genuinely unhelpful. Paradigms build connective tissue between scholars, civil society, policy-makers, business, and the general public. But we should beware the temptation to expect that any paradigm can map with perfect precision the elusive relationship between the intricacies of individual behavior and the staggering complexity of the settings in which we reconcile politics and economics. The neo-Keynesian orthodoxy (and its later intellectual antagonists and descendants, grounded in the more reductive framework of rational expectations) only dimly reflected Keynes's own style of thinking and living, which was too steeped in philosophy and too devoted to the aesthetic pursuits of his Bloomsbury set to be entirely sanguine about any simple depictions of human nature. Keynes's intellectual range, along with the aforementioned call for greater pluralism in thinking about time-frames, might inspire scholars and policy-makers to cultivate *families* of partially compatible paradigms rather than trying to replicate the epistemic imperialism of past master narratives.

Neither does the yearning for new and sustainable moral economies mean that all our goals will converge, or that we should abandon experimenting to mix incremental change with starker reforms where Frances Perkins moments arise.⁸ The possibilities for reform may be greater than people have dared imagine, but building the right coalitions and ideas will take time.

Don't get impatient. Even if things are so tangled up you can't do anything, don't get desperate or blow a fuse and start yanking on one particular thread before it's ready to come undone. You have to realize it's going to be a long process and that you'll work on things slowly, one at a time.⁹

Sometimes reformers can just discard threadbare ideas that have outlived their value in our post-rupture history of breathless change. But to get this right, they also need the time, finesse, and tragic acknowledgment of difficult-to-reconcile goals that come from remembering that we have been at it for about three hundred thousand years.

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ENDNOTES

- ¹ Margaret Levi and Zachary Ugolnik, “Mobilizing in the Interest of Others,” *Dædalus* 152 (1) (Winter 2023): 7–18.
- ² Jeffrey D. Sachs, *The Ages of Globalization: Geography, Technology, and Institutions* (New York: Columbia University Press, 2020), 5–7.
- ³ John Maynard Keynes, *A Tract on Monetary Reform* (Cambridge: Macmillan and Co., Limited, 1923), 80.
- ⁴ Derek Parfit, *Reasons and Persons* (Oxford: Oxford University Press, 1987).
- ⁵ “A single courageous State may, if its citizens choose, serve as a laboratory; and try novel social and economic experiments without risk to the rest of the country,” Justice Louis Brandeis, *New State Ice Co. v. Liebmann*, 285 U.S. 262 (1932). See Jenna Bednar, “Governance for Human Social Flourishing,” *Dædalus* 152 (1) (Winter 2023): 31–45; and James C. Scott, *Seeing Like a State: How Certain Schemes to Improve the Human Condition Have Failed* (New Haven, Conn.: Yale University Press, 1998).
- ⁶ Michael C. Dorf and Charles F. Sabel, “A Constitution of Democratic Experimentalism,” *Columbia Law Review* 98 (2) (1998): 267–473, <https://doi.org/10.2307/1123411>.
- ⁷ Kim Stanley Robinson, *The Ministry for the Future* (New York: Orbit Books, 2020).
- ⁸ “The Triangle Shirtwaist Factory fire was a terrible and highly publicized tragedy, but Perkins and her allies in the labor movement and in the state legislature (most importantly, Robert Wagner, Sr.) were ready. They immediately introduced and got passed workplace health and safety laws.” Margaret Levi, “Frances Perkins Was Ready!” *Social Science Space*, March 31, 2020, <https://www.socialsciencespace.com/2020/03/frances-perkins-was-ready>.
- ⁹ Haruki Murakami, *Norwegian Wood* (New York: Knopf Doubleday Publishing Group, 2010), 115.