

A Macroeconomic View of Public Choice: New Political Macroeconomics as a Separate Tradition of Public Choice

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Abstract: Public choice theory is listed under microeconomics in the JEL code and it is considered largely an issue of microeconomics and microeconomists who work on the boundary of economics and political science. However, starting from the 1970s, there is an increasing number of macroeconomists researching on topics of political economy and public choice, and a few public choice scholars themselves have discussed macroeconomic issues under the public choice framework. The difference is that the first group attempted to separate themselves from the label “public choice”, adopting many labels, to which I use the term “New Political Macroeconomics” (NPM) as an umbrella term to label this tradition. This has created conflicts with other public choice scholars, who claim this attempt to “separate” from public choice is harmful to the field. NPM scholars, on the other hand, tend to not see themselves as public choice scholars, rather as macroeconomists. This article is an attempt to understand the formation of new political macroeconomics, how it became its own tradition of public choice and the reasons why it would want to separate from the label “public choice theory”. It can be argued NPM started with the formalization of the political business cycle model, which was a direct attempt to create a public choice-based macroeconomic model of the business cycle – the origins of the business cycle were in the political manipulation of the economy by the incumbent government. This could be considered a Keynesian model of public choice. Although the model failed to secure robust empirical confirmation, it did influence a few macroeconomists to study the political economy with a macroeconomic focus and this is enough to classify NPM as its own tradition of public choice, with different tools and yet studying similar topics. However, claims of lack of theoretical base and excessive ideology of public choice scholars (who tend to be conflated with the libertarian Virginia tradition) make NPM scholars turn away from public choice.

Keywords: new political economy; public choice; political business cycle; new political macroeconomics

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“Do Blankart and Koester classify anybody who was writing on the interaction between economics and politics before the mid-1980s as a member of the public choice school?”
(Alesina, Persson, Tabellini, 2006, p. 203)

“Trying to separate the two research fields or to assess the superiority of one over the other is a futile enterprise.” (Padovano, 2004, p. 418)

1. INTRODUCTION

Public choice is a microeconomic affair. Its rubric in the JEL classification is “D7 – Analysis of Collective Decision-Making”, with the code D being reserved for Microeconomics. The title was chosen after a search for a term believed to be “rare” and “neutral” enough (CHERRIER, 2017, p. 576)¹. It was supposed to have its own rubric, but Roger Noll suggested that it should be placed under Microeconomics in order to cover “social choice theory, the theory of teams, economic models of political processes, bureaucracy, and policy analysis of the ‘Tabellini-Alesina’ type” to encompass, in Noll’s words, “*everything* published that looks at political aspects of policy or at collective choice processes” (*apud* CHERRIER; FLEURY, 2017, p. 24, emphasis in the original)².

However, starting in the 1970s, when macroeconomics underwent through a massive crisis and transformation (see DE VROEY, 2016), macroeconomists have studied issues of public choice and public choice scholars have analyzed macroeconomics under the tenets of public choice theory (PCT), in a way that would challenge the strict assignment of the field as microeconomics. Two of them are worthy of mention in this introduction: the article “Political Business Cycles”, by William Nordhaus (1975), and the book *Democracy in Deficit*, by James Buchanan and Richard Wagner (2000 [1977]). Parallel to the influence of Lucas’s policy inefficiency proposition, it was “a logical

¹ Other terms considered by the JEL staff were “public choice” (refused due to the association with Buchanan and Tullock’s libertarianism), “political economy” (refused due to association with Marxism), “political economics” (refused due to being too parochial concerning Caltech and Stanford). The decision was met with criticism by PCT scholars (Cherrier, 2017, p. 576).

² D7’s subdivisions are D70 (General), D71 (social choice, clubs, committees and associations), D72 (political processes, rent-seeking, lobbying, elections, legislative and voting behavior), D73 (bureaucracy, administrative processes and corruption), D74 (Conflict and its resolution, alliances and revolutions), D78 (positive analysis of policy formulation and implementation) and D79 (other). Source: <https://www.aeaweb.org/econlit/jelCod.php?view=jel>.

extension of the public choice ‘movement’ dating from the mid-sixties, in macroeconomics” (KEECH, 1998).

What singles out these two works is that they were among the first that studied collective decision-making with a macroeconomic focus: Nordhaus proposed a formal model to explain how macroeconomic fluctuations in the business cycles might have origins in political issues and gave origin to an entire literature that evolved in different ways, as the last chapter discussed; Buchanan and Wagner produced a heavy criticism of the Keynesian policymaking doctrine and the call to reestablish a fiscal constitution, to open a dialogue with macroeconomists. However, they had different objectives: Nordhaus aimed at elaborating a formal macroeconomic model, while Buchanan and Wagner analyzed macroeconomics from a microeconomic public choice perspective, never intending to create macroeconomic models.

The contentions start here. Nordhaus and the PBC model helped to establish a branch of public choice with a macroeconomic focus that, following Nagatani (1988), Garrat (1998), al-Nowaihi and Garrat (1998), Snowdon and Vane (1999; 2006, c. 10), Gärtner (2000) and Cornwall (2002), can be labelled “(New) Political Macroeconomics” (NPM)³, although others label it “political economics” or just “(new) political economy⁴.” It uses “the conceptual and analytical tools of economics to examine the interactions of politics and economics in democratic systems, emphasizing the choice of policies as well as how (and how effectively) they influence economic outcomes” (CORNWALL, 2002, p. 546).

NPM is also a discipline with a massive scope. In a partial list, it includes the interaction of economic and political factors in

business cycles, inflation, unemployment, the conduct and implementation of stabilization policies, the relationship between dictatorship, democracy, inequality and economic growth, instability and conflict, the origin of persistent budget deficits, international integration and the size of nations (SNOWDON; VANE, 2006, p. 517).

NPM scholars differ from their PCT counterparts in terms of method, adopting a general equilibrium approach, in contrast to the partial equilibrium approach

³ Cornwall (2002) considers the research on PBCs without rational expectations to be the “old political macroeconomics”.

⁴ These terms might include non-macroeconomic topics (e.g. MYERSON, 2017), that is why NPM is preferred here.

typical of most PCT (PADOVANO, 2004). They have attempted to distance themselves from PCT, claiming to have a different scope (DRAZEN, 2000), to be an improvement over the flaws of PCT (PERSSON; TABELLINI, 2000), or to dispel the libertarian caricature of the Leviathan State propagated by PCT (PERSSON; ROLAND; TABELLINI; 1998). This is reflected in their networks, with observations that NPM scholars do not publish in *Public Choice* or go to the same conferences (PADOVANO, 2004, p. 415). They understand that “public choice and political economics are more labels than competing paradigms” (ALESINA; PERSSON; TABELLINI, 2006, p. 201) and see themselves as taking what PCT started to a macroeconomic level, with better theoretical tools, practices and less ideology.

Their apparent dismissal of PCT as a secondary concern provoked the reaction of PCT scholars, who claimed that this dismissal is harmful to scientific research on political economy (PADOVANO, 2004; BLANKART; KOESTER, 2006), failing to defend the ideals of liberty inherent to PCT (BLANKART; KOESTER, 2007) and serving political correctness (MUELLER, 2015). Such complaints apparently fell on deaf NPM ears: there have been little attempts of debate, and NPM and PCT scholars continue each doing their own things.

In spite of everything, some NPM scholars recognize that NPM is “in many respects indistinguishable from public choice,” differing subtly in the object of study (SAYER, 2000, p. 514-515). In order to understand this issue, this paper has two objectives: to situate NPM as a separate tradition of public choice and to understand why they would rather be seen as macroeconomists instead.

This paper has four sections, besides this introduction. Section 2 studies how PCT scholars analyzed macroeconomics using Buchanan and Wagner (2000 [1977]) as point of reference of a public choice study of macroeconomics, since it is one of the most important forays into macroeconomics, from a Virginian perspective, even if it is not Buchanan’s most important work, and how this helped to shape the perception of how PCT studied macroeconomics. Section 3 studies how the political business cycle model started a discussion of macroeconomic analysis with a public choice focus, being formalized by scholars alien to the PCT networks, giving rise to a “Keynesian” tradition

of public choice, in spite of this apparently oxymoronic term⁵. Section 4 tries to understand in more detail the divergences between PCT and NPM, and how important it is for the NPM identity to separate themselves from PCT and how important it is for the PCT identity to deny that this separation exists. The article concludes attempting to understand to where NPM and PCT are headed, and how their problem might be one of scientific language, that NPM and PCT, in spite of overlapping, have not managed to find a unified language.

2. PUBLIC CHOICE OF MACROECONOMICS: THE PERCEPTION OF A DEMOCRACY IN DEFICIT

It should be noted macroeconomics has been a topic of interest to PCT researchers⁶. The focus of this section, however, is how earlier works shaped academic perceptions of how they approached macroeconomics. The pioneers of PCT did not concentrate their attention in macroeconomic issues, due to their focus on collective decision-making. Mancur Olson was supposed to write a book named *Regulation, Deregulation and Macroeconomics*, but a negative review from Douglass North stopped it from receiving a grant from the National Science Foundation (NORTH, 1985), which led to its shelving⁷. An important exception is *Democracy in Deficit* (BUCHANAN; WAGNER 2000 [1977], henceforth *DiD*), which played an important role shaping economists' perception of how PCT scholars approach macroeconomics.

Although *DiD* might not be the most important of Buchanan's works, nor it is the objective of this paper to situate *DiD* in his *oeuvre*, it aimed at an audience wider than fellow PCT scholars, also including macroeconomists, establishing its importance

⁵ The only case in the literature of the term "Keynesian public choice" comes from Hislop (1990, p. 225), to refer to the benevolent policymaker paradigm criticized by PCT. Public choice is usually seen as incompatible with Keynesian political economy (FORTE, 2012, p. 422). Few attempts have been made to approximate Keynes and public choice. One exception is Parsons (2012), who argued that public choice theory would benefit from Keynes's writings on rationality.

⁶ A quick search in *Public Choice's* website returns 249 results for "macroeconomics" in a simple search at its site, as of June 30, 2019.

⁷ North's review focused on how unoriginal the book was to be worthy of a grant, not mentioning anything about macroeconomics. A copy of the proposal is present at the Olson Archives, in the University of Maryland, but the author did not have access to it before the completion of this article. However, if we follow an article he wrote in the late 1980s, he would have argued that "in contrast to both new-classical and Keynesian views, the argument here implies that the single most important determinant of the macroeconomic performance of a society is the quality of its microeconomic policies and institutions", in a pure microeconomic-public choice framework (OLSON, 1989, p. 381).

as a channel of communication with them. According to Wagner (2017), the ideas presented in the book had already been developed in the 1950s, with Buchanan's writings on government deficits. In the foreword to the 2000's edition, Robert Tollison argued the book "led the way in economics in endogenizing the role of government in discussions of macroeconomic theory and policy," while Buchanan himself wrote that "the argument is perhaps the single most persuasive application of the elementary theory of public choice" (DiD, pp. xi, xv).

The book is an analysis of the consequences of the application of Keynes and his successors' economic policies for American political economy. Keynes is framed as an outsider to American political economy, who replaced the "old-time fiscal religion" – an informal economic-political doctrine in which the states had a compromise of not spending more than they collected in taxes and curbing the growth of the public sector – for a looser fiscal/monetary policy that was supposedly used to fight the Great Depression. Keynesianism secured "a permanent shift in the policies of governments and [...] the conversion of the academic scribblers, in this case the economists, was a necessary first step" (DiD, p. 25). As one commenter observed, they present "Keynesian Economics, if not perhaps the Economics of Keynes, as a doctrine of public debt" (GORDON, 1978, p. 583), while another argued that it "certainly have a clear agenda of arguing that inflationary policy was an essential aspect of Keynesianism" (FORDER, 2014, p. 160).

Keynesianism followed the "presuppositions of the Harvey Road⁸", which included the belief that economic policy should be guided by a small group of enlightened and wise people, through a national planning board. It fails to recognize politicians as self-interested, as any other economic agent, one of the main points of PCT itself (DiD,

⁸ Roy Harrod, his first biographer, named these beliefs as the "presuppositions of Harvey Road" (HARROD, 1951, p. 4, 80, 192-193) as a reference to Keynes's childhood address at the Harvey Road, where he received one of the best upbringings that the British could provide and Harrod argued it influenced his thought. It consisted of a "stable British empire and assured material progress" (p. 183) and "really important decisions being reached by a small group of intelligent people, like the group that fashioned the Bretton Woods plan" (p. 193) and making politicians the executors of economists' plans. Bateman (2010, p. 20) considers that the use of the expression is a derogatory term to accuse Keynes of having "a simplistic and unrealistic understanding of the economy and the human nature". However, Cristiano (2014, p. 61) argued that, while the term was indeed vaguely represented by Harrod, it reflected a *zeitgeist* of the British Empire of "civic imperialism" (ADELMAN; MACK, 2018, p. 65), allowing him to classify Keynes as a liberal imperialist. This interpretation is corroborated by Waterman (2002, p. 40): "Secure in the selfless devotion of a noble army of upper-class statesmen, bureaucrats and colonial administrators, British economists from Jevons to Joan Robinson – almost all of whom were themselves drawn from that class – ignored the problems of political process and political agency."

p. 80). This led to three negative economic consequences: permanent budget deficits, inflation and expansion of the public sector (DiD, p. 71). Not only that, they also attributed to “the abject failure of the Keynesian economic forecasters in the immediate postwar years” (DiD, p. 40) a hand in the *zeitgeist* of the 1960s and 1970s

evidenced by what appears as a generalized erosion in public and private manners, increasingly liberalized attitudes toward sexual activities, a declining vitality of the Puritan work ethic, deterioration in product quality, explosion of the welfare rolls, widespread corruption in both the private and the governmental sector, and, finally, observed increases in the alienation of voters from the political process. (DiD, p. 66-67).

Keynesian economics would be incompatible with a democratic society, because it requires a command economy, with little regard to economic and personal freedoms. The Keynesian legacy was the creation of institutions that helped to create an underperforming economy with worse values than before (DiD, p. 131)⁹. Its lack of awareness about political economy burdened future generations with lower economic development.

In order to combat these problems, Buchanan and Wagner advocate a return to the precepts of the old-time fiscal religion, with an independent monetary authority insulated from political pressures. Constitutional rules should guide economic policy and accountability mechanisms, such as public hearings, must be enacted (DiD, 187-189)¹⁰.

DiD produced mixed reactions. It is still considered an important book for the tradition (WAGNER, 2017), and has amassed an impressive number of citations¹¹, meaning it was read by many economists. Its intention was to polemicize; the authors knew it “would arouse antagonism from many camps” (BUCHANAN; WAGNER, 1978, p. 627). However, it may have done little to influence mainstream economic theory, if we take the symposium organized by the *Journal of Monetary Economics* to discuss the book

⁹ Values, both economic and moral, are a concern of the authors: “At this point, values cannot be left aside.” (DiD, p. 5). Romani (2018, p. 22) observed that DiD was a work that “tapped Americans’ traditional values, taking advantage of anxieties about work and rewards, planning for the future, and social stability.”

¹⁰ The last chapter of the book incorporates material presented at a congressional hearing on budget balancing (BUCHANAN; WAGNER, 1975). It would explain why there are so many references to American patriotism (or jingoism, depending on the reader) in the text: the beginning of the book’s last paragraph reads as “We remain firm in our faith that Americans can shape their own destiny.” (DiD, p. 192).

¹¹ 2274 citations, as of May 2019, according to Google Scholar.

(JOURNAL OF MONETARY ECONOMICS, 1978) as a sample of mainstream economists' reactions.

The book was criticized for many reasons, both technical and non-technical: confusing nominal with real debt and ignorance of the Ricardian equivalence and rational expectations (BARRO, 1978), lack of empirical evidence and a formal model (NISKANEN, 1978; TOBIN, 1978, p. 618), not recognizing that their target was the Keynesian doctrine of sticky wages (GORDON, 1978, p. 587), logical inconsistencies¹² that come from “hardboiled sentimentalism” in their view of the old-time fiscal religion in the United States untainted by Keynesian economics (ROBERTS, 1978, p. 605).

James Tobin offered the harshest criticism, accusing the book of impoverishing economic research because of the authors' aggressive ideological stance:

Controversy and reasoned debate are part of [the struggle of economists to find the truth]. Labelling 'schools' is not. The BW book is one more symptom of the increasing doctrinal and, yes, ideological polarization of the economics profession in recent years. It is a shame, and it should stop. (TOBIN, 1978, p. 618)¹³.

The question of whether DiD made any contribution to macroeconomics was raised by Barro, who claimed that the authors “seem to be suggesting the substitution of a political theory of aggregate policy that omits serious consideration of macroeconomic theory” and that the interventionist bias was not as great as the authors claimed (BARRO, 1978, p. 579-580). In their reply, the authors explained that their aim was not to make a direct contribution to macroeconomics, but rather to treat “seriously the straightforward observation that politicians, not economists, make economic policy.” (BUCHANAN; WAGNER, 1978, p. 635).

In other words, the book was an analysis of macroeconomic doctrines through a Virginia framework, not a contribution to macroeconomics *per se*. As one commentator wrote, DiD was an exposé of the fiscal malpractices whose sources lay in Keynes's policy recommendations following the publication of the *General Theory*

¹² “...it is hard to explain why politicians adhered for so long to something that is against their interests” (ROBERTS, 1978, p. 608).

¹³ Tobin was among the few economists who were mentioned by name in DiD (p. 82), on how he failed to recognize the importance of political factors in economic policy, a charge that is repeated recently (EUSEPI; WAGNER, 2016, p. 18). In their reply, Buchanan and Wagner (1978, p. 627-628) urged him not to take it personally.

(SUBRICK, 2007, p. 739)¹⁴. Therefore, it did not directly help to create a distinctive tradition, only to show that the Virginian approach could comment on current events from a Virginian point of view.

Nevertheless, DiD contributed to the rules vs. discretion debate. Just as new classical theory, Buchanan (and presumably the rest of Virginia tradition) believed that a market economy was stable (DiD, p. 192; BUCHANAN; WAGNER, 1978, p. 635) and defended the constitutionalization of money to protect the market order from political interests (BUCHANAN, 2010). Its staunch defense of constitutional limits to public spending would be used by other economists as a political argument for rules (e.g. LUCAS, 1980, p. 209).

While DiD was important for Buchanan to reaffirm economics as a public science, and to argue that politicians are self-interested rather than neutral (ANGELI, 2019, p. 63), it was inserted into a context of attrition between libertarian and reformist economists, on the side of the free-market narrative, along with Friedman and others (ROMANI, 2018). Therefore, the perception of PCT as a libertarian endeavor became stronger. Its lack of formal modelling, however, may have been a greater obstacle to a further penetration in the mainstream of economics.

In the end, it can be said the book was somewhat successful because “little, if anything remains of ‘the presuppositions of Harvey Road’” (WATERMAN, 2002, p. 41) and any current economic policy textbook has incorporated issues raised by public choice into its contents (e.g. TANZI, 2011; ACOCELLA; DI BARTOLOMEO; HUGHES HALLET, 2016). Interestingly, DiD made no reference to another contemporary approach that attempted to formally model macroeconomics with public choice: the political business cycle literature¹⁵.

¹⁴ Subrick’s article is a reply to an article by Bateman (2005), who claimed that Buchanan and Wagner intentionally misrepresented Keynes’s works to make their argument and that Subrick’s reply continued the same vices of Buchanan and Wagner (BATEMAN, 2007). The idea that the General Theory is a manifesto for deficit spending is considered a wrongful interpretation of Keynes, for Keynesian scholars (e.g. MARCUZZO, 2018). Johnson (2018), however, argued that Buchanan and Wagner’s concerns were others, and therefore they were not interested in a fully accurate picture of Keynes.

¹⁵ Vane and Mulhearn (2005, p. 155) argued that DiD “has acted as catalyst for much subsequent research on political business cycles”, a claim that I consider to be questionable for reasons to be developed in the following pages.

3. POLITICAL BUSINESS CYCLES AND ITS RELATION WITH NEW POLITICAL MACROECONOMICS: A KEYNESIAN PUBLIC CHOICE?

The history of the PBC model has been explored by other authors (e.g. DUBOIS, 2016). Nordhaus (1975) is considered the first *formal* PBC model, followed by Lindbeck (1976) and MacRae (1977). Picking an insight from Kalecki (1943)¹⁶, Nordhaus argued that, when elections approach, the incumbent government manipulates the economy in order to ensure reelection, by adopting looser economic policies to transfer income to the electors; with more income available, electors will tend to consider the incumbent government is doing a good job in the economy and will tend to re-elect the incumbent government for another term.

However, the cost to this policy is the ensuing inflation that comes with the fiscal/monetary expansion, which negates the increase in income caused by said policies in a later moment. Thus, in order to fight inflation, the newly elected government must enact austerity policies. The austerity continues until the elections approach once again, when the government returns to looser fiscal/monetary policies to boost popularity.

Nordhaus's priority was to show how political choices mattered to the economy, using a macroeconomic model: the trade-off between inflation and unemployment made possible by an interpretation of the Philips curve in which the government could induce and tolerate a higher inflation in exchange for lower unemployment. The model showed how attempts to manipulate the economy distorted intertemporal choice and harmed the economy.

The model provoked a series of discussions on the feasibility of the political business cycles (see DUBOIS, 2016, for an extensive list). Although it appeals to common sense, there was no definitive proof that PBCs existed (PALDAM, 1981). "No one could read the [PBC] literature without being struck by the lack of supporting evidence" (ALT; CRYSTAL, 1983, p. 125). The idea that voters could be "tricked" by the government went against the tenets of rational choice theory: if voters were rational, they would not be "tricked" to vote on the incumbent because the voter would be aware

¹⁶ He considered the Kalecki's model to be "the only serious theory" to study PBCs (NORDHAUS, 1975, p. 181). Kalecki's model followed a heterodox methodology, of Marxist and Keynesian inspiration, for that reason Dubois (2016) does not include it as an antecedent to PBCs, situating the work of Johan Henrik Åkerman as the antecessor to Nordhaus's model.

of the fiscal/monetary expansion and would prepare accordingly, neutralizing the effect on the income level (MCCALLUM, 1978). This is considered a reason why PBCs were ignored by most mainstream macroeconomists (cf. ALESINA, 1988; SNOWDON; VANE, 1999). Recent empirical work failed to find any systematic evidence of fiscal manipulation for reelection purposes (e.g. MANDON; CAZALS, 2019).

Nevertheless, Nordhaus's model gave way to derivative models, such as Hibbs's partisan model (HIBBS, 1977) and Frey and Schneider's opportunistic-partisan synthetic model (FREY; SCHNEIDER, 1978). Many other authors also adapted the rational PBC models (ROGOFF; SIBERT, 1988; TABELLINI; PERSSON, 1990) and prefer to see Nordhaus's original model as a "thought experiment" (GÄRTNER, 1994, p. 86). Given the variety of models, there is no *unique* definition of a PBC (PRICE, 1997, p. 407).

Although Nordhaus did not use the term 'public choice' in any part of the text, preferring the term 'political choices' to refer to issues of collective choice within an economic model, he was aware of the PCT literature at the time. Nordhaus (1975) mentioned two important works: Downs (1957) and Kramer (1971)¹⁷. He saw them as important to characterize voting choices as a "menu of alternatives, each alternative representing the position of a party or candidate" (NORDHAUS, 1975, p. 172).

As a matter of comparison, other PBC models show similar citation patterns: MacRae (1977) did not mention Downs (1957), but it did mention Kramer (1971), with the additional citation of Black (1958), in order to model strategic behavior of voters in a PBC, something not present in Nordhaus's model. Lindbeck (1976)¹⁸ mentioned Downs (1957) and Kramer (1971).

The debate on the relevance of PBCs continued through the many strands of PCT, and it drew interest from its scholars, while being discarded by macroeconomists due to bad timing (GÄRTNER, 2004, p. 160). The list of 530 articles compiled by Dubois (2016) shows that *Public Choice* had published 60 PBC-related papers up to 2014, being

¹⁷ According to Dubois (2016, p. 238) Nordhaus met Gerald Kramer at the Cowles Commission and, along with Ray Fair, they discussed how economic conditions could influence election results. Rosenthal (2006) mentioned that Kramer studied under William Riker at Rochester, before going to the Cowles Commission. His work emphasized empirical research based on rational choice theory, following the Rochester tradition of positive political economy

¹⁸ Lindbeck's article contains a "literary" model of the PBC, and it is usually included in literature reviews as an important early model

the journal that published most content on PBCs. PCT textbooks and encyclopedias have relevant discussions on the topic (SHUGART; RAZZOLINI, 2001, p. 427-433; MUELLER, 2003, p. 467ff; ROWLEY; SCHNEIDER, 2004, v. 2, p. 411-415). Thus, it can be considered part of the PCT “canon”.

This contrasts with the fact none of the three economists that developed the model were PCT scholars¹⁹. Mitchell (1988, p. 110), in his review of the first 25 years of PCT, wrote that the PBC authors have not been associated with public choice and one of them, Douglas Hibbs, “is distinctively unfriendly to public choice”. As mentioned before, their focus was more on creating a macroeconomic rather than a public choice model, even though they did use PCT to inform their analysis²⁰.

Perhaps due to its scope, DiD makes no reference to the PBC literature, neither to validate nor to deny its conclusions. One of its co-authors, Richard Wagner, went on to write about PBCs, a model he claimed to be “Keynesianesque” (EUSEPI; WAGNER, 2016, p. 20). In Wagner (1977, p. 403), he argued the PBC model “hardly conforms to economic experience” and ignores the contractual nature of the economy. In what can be considered a preemptive critique of future developments of NPM, Wagner claimed that “macroeconomic consequences may result *ex post*, but the *ex ante* impetus for the policy is microeconomic or micropolitical in orientation” (*ibid.*, p. 407).

Faithful to the libertarian position of the Virginia tradition, Wagner went on to support the statement that a market economy was inherently stable (DiD, p. 192) and that business cycles come from the attempts of politicians to manipulate the economy to their own benefit (WAGNER, 1980, p. 33). Although he conceded that “the idea of a political business cycle stands this traditional claim [of benevolence of politicians] on its head” (WAGNER, 2001, p. 430), he also argued that “the actions described by the PBC

¹⁹ Using data from RePec (<http://repec.org/>), we see that Nordhaus is a macroeconomist and environmental economist (which earned him the Nobel memorial prize), MacRae is an urban economist and Lindbeck is a macroeconomist and public economist. None of them seemed to be affiliated to the Public Choice Society or similar organizations at any point of their careers. Lindbeck published two articles in *Public Choice* in the 1980s, (<https://www.ifn.se/eng/people/research-faculty/assarl>), though in the late 1980s.

²⁰ Public choice literature had dabbled into how macroeconomic fluctuations could have political origins. Bruno Frey, one important earlier PCT scholar, developed with Laurence Lau a model of how ideology could influence political alternation, adding a quadratic loss function to represent the political goal of a good macroeconomic performance (FREY; LAU, 1968, p. 365). Giving importance to ideology would appease the more hardline members of the party but it could alienate moderate ones. According to Olters (2004), the problem was that their model was purely theoretical and could not be easily quantifiable, so it remained as a theoretical exercise, though it does resemble Hibbs’s partisan model more closely. Frey and Lau (1968) is only mentioned by Lindbeck (1976).

violate ordinary canons of rationality, unless rapid and significant loss of memory is assumed to plague citizens” (EUSEPI; WAGNER, 2016, p. 21). In a critical review of Alesina, Roubini and Cohen (1997), he criticized the authors for ignoring matters of spontaneous order and attempts to “intervene” in the economy (WAGNER, 1999).

Unlike most of the PCT literature, which adopted a bounded rationality framework, PBC models would later be updated to incorporate the insights arising from the rational expectations program. Alesina, Rogoff and Sibert, among others, tried to make the PBC framework more appealing to mainstream macroeconomists.

Rational expectations are not considered part of most public choice traditions due to the idea of fiscal illusion. Buchanan and Wagner (1978, p. 631), for example, “do not accept the thesis that the implications of rationality are the same for both private choice and public choice”. Rational expectations limit the analysis of strategic interactions of the government with its electorship (BRENNAN; BUCHANAN, 2000 [1980], p. 140). According to Congleton (2001), rational ignorance should be preferred to strict rational choice theory, a concept that Willet and Keil (2004, p. 413-414) argued that would have benefitted PBC models if their advocates were aware of this concept, and focused more on microeconomic rather than macroeconomic issues.

Although a few authors equated political macroeconomics to PBCs, they soon realized that there are topics other than the political origins of business cycles to study in the intersection between the analysis of collective decision making and macroeconomics²¹. Some NPM authors consider the Kydland-Prescott model of dynamic inconsistency part of the studies of political macroeconomics (GÄRTNER, 1994), claiming that it helped to launch “a new research programme, at the frontier between economics and political science, that seeks to explain observed government behaviour with the standard tools of economics” (TABELLINI, 2006, p. 214). Nevertheless, the idea of “endogenous treatment of policy makers has become a frequently encountered, if not standard, feature of macroeconomic policy analyses” (GÄRTNER, 2000, p. 554).

This Keynesian public choice, therefore, saw ways to expand its scope. Already in the earlier textbooks on NPM, such as Alt and Chrystal (1983), there are

²¹ There are “alternative” NPMs, such as Nagatani’s political macroeconomics with influence from Japanese organization theory, besides PCT (NAGATANI, 1988) and the neo-corporatist approach from political science (IVERSEN; SOSKICE, 2006).

discussions about the macroeconomic consequences of policies and how they are elaborated by self-interested policymakers, coupled with the claim that “the subject of political economics [i.e. NPM] is the economic role of the government” (*ibid.*, p. 239). If we take Drazen (2000), Persson and Tabellini (2000) and Snowden and Vane (2005, c. 10) and judge by their summaries, we see they are interested in, besides PBCs, topics of inflation, central bank independence, political regimes and public debt.

This is clear in the case of Alberto Alesina. Some authors consider him to be “*the* leader of a new school of macroeconomic political economy”, focused on macro instead of microeconomic public choice (FORTE, 2012, p. 417-418, emphasis added). He began his research on rational partisan PBCs, and then moved on to other macroeconomic topics, such as the size of nations and the division of national responsibilities in an international bloc (FORTE, 2012; HUGHES HALLET, 2012). Throughout his work, one finds a constant concern with intersecting the fields of political economy and macroeconomics, to the point where he became one of the standard references when someone asks for an example of an NPM scholar²².

There is yet another aspect worth considering. Although the PBC model also emerged from criticism of the exogenous policymaker, its Keynesian influence meant it was something *slightly* different from standard public choice. Even if the previous theory of economic policy is gone, it would be premature to decree its complete extinction. A recent textbook on economic policy considers that critiques of “political economy”, presumably including the PCT critique, which “refer to the existence of agency problems in the relationship between politicians and their constituencies,” were of minor importance and could be incorporated into the discipline without much problem. The greatest challenge came from the major critiques posited by Arrow’s impossibility theorem and Lucas’s policy inefficiency proposition (ACOCELLA, DI BARTOLOMEO, HUGHES HALLET, 2016, p. 7). While the PBC had a “rationale for central bank independence”, an idea associated with a conservative macroeconomic approach, “it does not support conservatism in the sense of a more powerful anti-inflationary attitude than that in society as a whole” (p. 140).

²² Even though he denied identifying himself with any specific school of thought (SNOWDON; VANE, 1999, p. 25).

In fact, both Tanzi (2011) and Amable (2018) place NPM scholars as related to the new theory of economic policy. Tanzi (2011, p. 202) identified “the positive theory of fiscal policy [...] developed by economists such as Alberto Alesina, Guido Tabellini, Allan Drazen, Torsten Persson, J. von Hagen, and a few others” to be the intellectual successor to the earlier theory of economic policy, after absorbing recent developments in macroeconomics.

This school seems to conclude that with better institutions and better institutional arrangements good policies can be pursued and can deliver better results. In other words, the positive theory of fiscal policy does not necessarily invalidate the theory of fiscal policy, but it argues that the latter will be more successful if given institutions are in place. (*ibid.*)

As we will see in the next section, NPM scholars wanted to move away from the strongly ideological explanations associated with PCT, and they saw their own models as not inherently libertarian or reformist. Nordhaus was counted among the “new economists” of the 1970s, who “sought the middle ground” between libertarians and radicals. Along with Tobin, he started developing his research on environmental economics parallel to his work on PBCs, as a reaction to the statement that growth should not be an end in itself (ROMANI, 2018, p. 16-17). Forte (2012, p. 419) wondered whether Alesina might be a Keynesian, right before making the sensationalist claim that Alesina actually “destroys” Keynesianism. On reviewing the impact of central bank independence research, Alesina wrote that the NPM literature showed that “political competition may generate a deficit bias and accumulation of government debt above the ‘*social planner*’ optimum” (ALESINA, 1988, p. 44, emphasis added), a term that would look odd in a PCT work.

The issues brought about by PBC models exposed a rift between PCT and NPM. Even if we consider NPM a tradition of PCT in general, its authors sought to distance themselves from the label ‘public choice’. In the next section, we will try to understand why.

4. NPM VS. PCT: A DISPUTE FOR SCOPE, NARRATIVE AND IDEOLOGY

The question then remains: what makes NPM and PCT different? The conflation of public choice and the Virginia tradition presented in MacLean (2017), which

motivated a special issue of *Æconomia* and this session (ÆCONOMIA, forthcoming), and a great number of discussions in general (e.g. RESEARCH IN THE HISTORY OF THOUGHT AND METHODOLOGY, 2019). The conflation, however, is actually a recurrent phenomenon in the literature – it became a relevant problem because Nancy MacLean introduced this issue to a larger, non-academic audience, and the PCT literature has not been able to shake off this perception.

For example, Besley (2006, p. 29, emphasis added) wrote that “in some circles the term ‘public choice’ is used to refer to *any* analysis that links economics and politics. But here, I am using it more narrowly to represent the work beginning in the Virginia School in the 1950s.” Legal scholar Mark Kelman called public choice “democracy bashing” (KELMAN, 1988), in a heavily critical review of the literature from a legal standpoint, using the term as an umbrella for all of its traditions. The conflation is also present in other critical volumes, such as Stretton and Orchard (1994).

From the supporter’s side, Dennis Mueller’s ecumenical definition was already mentioned, being “the economic study of nonmarket decision making, or simply the application of economics to political science” (MUELLER, 2003, p. 1). In Mueller (2015), he concludes that, if political economists and public choice theorists are doing the same thing, they should be labelled the same. Congleton (2018) includes NPM authors in his survey of PCT literature and digressions on the future of the field.

Again, it should be kept in mind that the three main early PBC authors (Nordhaus, MacRae and Lindbeck) were not explicitly affiliated with PCT and its organizations. Not only that, PCT authors have identified PBC models as the work of “Keynesian oriented economists” (WILLET; KEIL, 2004, p. 412; EUSEPI; WAGNER, 2016, p. 20). PCT emerged from a criticism of the Keynesian theory of economic policy, and DiD was a heavy criticism of Keynesian policymaking, making the PBC/NPM characterization of “Keynesian public choice” controversial to say the least. Even if PBC models were informed by PCT authors and have been researched by them, they also recognize them as something *slightly* different from what they understand as “usual” public choice.

The separation of NPM authors, who identify themselves as macroeconomists than public choice scholars, is also perceived by PCT scholars. Although they share entire fields of interest, “very few political economists participate to

meetings of the public choice societies [and] publish in journals such as *Public Choice* and quite seldom refer to [PCT] contributions” (PADOVANO, 2004, p. 415-416).

The attempt to distance themselves from PCT is evident in the works of NPM scholars. Drazen considers public choice and new political macroeconomics to have different scopes: while NPM is concerned with using “formal and technical tools of modern economic analysis to look at the importance of politics for economics” to understand how politics affects economics, PCT “considers not simply the positive and normative aspects of different ways of making collective choices, but also the question of how a society can choose over the set of possible choice mechanisms” (DRAZEN, 2000, pp. 4, 60). Drazen thus delimits a difference between both approaches and considers public choice essential to the development of NPM, since it provides microfoundations to political economy – an opinion shared by Gamble (1995, p. 530).

A similar reasoning is offered by Persson and Tabellini (2000, p. 3), who see PCT as an earlier tradition in the positive analysis of political economy that serves as a stepping stone for NPM. After observing that initial PCT work “sometimes relied on weaker theoretical or microeconomic foundations,” their own contributions to NPM adopted “the equilibrium approach of the macroeconomic theory of policy” and exploited “the tools of rational choice in analyzing some of the classic problems in public choice” (*ibid.*, p. 4). In Stanford political economics, they intended for their approach to be as apolitical as possible as way to differentiate themselves of concurrent public choice approaches (NOLL, 2019). Finally, Persson, Roland and Tabellini (1998, p. 686) criticized the caricature made by PCT of the “malevolent Leviathan policymaker that replaces the benevolent Pigovian planner” of earlier Keynesianism.

This separation is considered harmful by PCT scholars. Mueller dismissed Drazen’s textbook by writing that it “is an excellent introduction to and overview of the literature, although the book is somewhat mistitled, since it discusses virtually all topics from the public choice literature” (MUELLER, 2003, p. 471). He also observes that themes and authors of public choice and political economy overlap: there were several past presidents of the Public Choice Society among the contributors to *The Oxford Handbook of Political Economy* (WEINGAST; WITTMAN, 2006), therefore there is no reason for them to be treated as different fields (MUELLER, 2015, p. 386).

In an even more critical view, Blankart and Koester (2006) accused practitioners of NPM of ignoring the importance of public choice in the development of the discipline, claiming that public choice had been researching the same issues long before. Padovano (2004, p. 418) argued that the only relevant difference between PCT and NPM is that the first adopts partial-equilibrium models and the second general-equilibrium models²³. In his conclusion, “trying to separate the two research fields or to assess the superiority of one over the other is a futile enterprise.”

In their reply to Blankart and Koester, Alesina, Persson and Tabellini (2006) ask rhetorically:

By their argument, Hibbs, Nordhaus and Lindbeck must be members of the public choice school. Do Blankart and Koester [and Mueller] classify anybody who was writing on the interaction between economics and politics before the mid-1980s as a member of the public choice school?²⁴ (ALESINA; PERSSON; TABELLINI, 2006, p. 203).

Considering Mueller’s definition of public choice and his comments on Drazen (2000) and Weingast and Wittman (2006), I dare say the answer seems to be “yes”.

Given the state of the debate, there is evidence that NPM scholars do not want to be recognized as PCT scholars, which explains their lack of involvement with the other traditions of PCT, besides canonical references. The use of rational expectations and general equilibrium models to analyze issues of collective decision-making and its economic consequences is enough, *at least*, to classify NPM as its own tradition of public choice. It seems, however, that they want to be recognized as macroeconomists, people “doing” macroeconomics instead of PCT, in the same way a macroeconomist would not want to be seen as a microeconomist.

There is another issue that makes NPM scholars want to avoid associations with the PCT label. Mentioning personal communications from Persson, Roland and Tabellini, Mueller complains that other scholars shy away from using the term “public

²³ It might be argued that it resembles the “Marshallian” and “Walrasian” divide in macroeconomics proposed by some historians of thought (e.g. DE VROEY, 2016), reflected in analysis of collective decision making instead. Further investigations in this direction can be a theme for later.

²⁴ Mitchell (1988, p. 116) claimed that scholars such as James Q. Wilson, Aaron Wildavsky, Edward Banfield, Robert Dahl, Terry Moe, Robert Salisbury, and Theodore Low can be labelled “‘closeted’ public choice analysts”. As the chapter shows, there might be a reason why they would want to be called “closeted”. And it is hard to tell if these authors would be happy in hearing they are actually “closeted public choice analysts”.

choice” due to association with the “right wing”. He dismisses this attitude as “political correctness”, defending that PCT is also open to “liberals in the American sense”, citing examples of important liberal figures in PCT of Elinor Ostrom, Mancur Olson and Anthony Downs (MUELLER, 2015, p. 386)²⁵.

According to Colander (2009, p. 438), while Lionel Robbins defended that economic science “should avoid value judgements”, he believed that political economy “should not only include, but should necessarily embrace” them. A history of public choice would be incomplete without discussing the value judgements of its most important founders. Johnson (2018) shows how Buchanan’s critical views towards Keynesianism were formed under his tutelage from Henry Simmons in Chicago, and how important they were to shape his theoretical thought. The trajectory of the Virginia tradition is characterized, by their supporters, as the fight of trailblazers against “the tyranny of intellectual establishment” (ROWLEY, 2008), against the “red academy” full of Marxist agents (ROWLEY; HOUSER, 2012). The opposition that they suffered from the establishment was important in building this identity (e.g. FLEURY; MARCIANO, 2018), and some authors see its critique of social democracy *values* as a fundamental part of its tenets (THOMPSON, 2008).

As mentioned in section 2, economically libertarian and (somewhat) morally conservative values guide the Virginia tradition²⁶. As Angeli (2019) mentions, Buchanan believed the economist had a public role, to influence the nations’ policy, and for this reason he urged the establishment of constitutional limits to economic policies – the economist could not stay silent when the world changed.

On the other hand, other PCT scholars were aware of the zeal of their fellow founders and tried to downplay its relevance. In his review of Buchanan and Tullock’s *Calculus of Consent* (1962), Olson warned about its “ideological emphasis”. “The somewhat eccentric ideological quality that characterizes their writing,” he argued,

²⁵ Mueller’s argument can be seen as a fallacy named “some of my best friends” (PLUMER, 2011), because he used it to deflect criticism, without properly addressing it. As we will see, this might be a reason why Hirschman did not accept Olson’s apology, despite Olson himself being a Democrat.

²⁶ While Buchanan did not consider himself a conservative (BUCHANAN, 2006), defending instead that the classical liberal position is superior to the modern liberal and conservative positions, his defense of traditional American values and notions of family in DiD is enough to put him close to the conservatives. These affinities make alliances and conflation of libertarians and conservatives against the left almost inevitable, such as the case of conservative figurehead Irving Kristol, who started as anti-libertarian, but evolved to embrace it (cf. HAMBURGER; STEINMETZ-JENKINS, 2018).

“unfortunately narrows their appeal and perhaps obscures the objective importance of some of their theories” (OLSON, 1962, p. 1217). Olson tried to induce others to read the book for its theoretical advancements and not mind the ideology, arguing that “in scholarship it is not perhaps necessity, but prejudice, that is the mother of invention” (*ibid.*). Buchanan reacted to his review, claiming that Olson had a prejudiced view of his research (cf. MEDEMA, 2009)²⁷.

A further example of Olson trying to diminish the relevance of his libertarian colleagues’ ideology comes from his correspondence with Albert Hirschman, in an episode related in Adelman’s biography (2013, p. 448-449). Tullock had written a negative and dismissive review of Hirschman’s book *Exit, Voice and Loyalty*, and Olson wrote a letter to him apologizing for Tullock’s tone. He dismissed Tullock as belonging to the far right, and claimed that public choice was open to leftists, himself being a Democrat. In his reply, Hirschman announced that he would be cutting relations with the Public Choice Society, because it could be considered a confession that Tullock’s review was ideologically loaded, instead of a serious attempt to understand his book and Olson just enabled Tullock’s behavior.

There are more examples in the literature of the libertarian reputation of PCT being an issue that turned away many scholars. Gamble (1995, p. 530, emphasis added), political scientist, wrote that “the liberation of public choice from a *laissez-faire straitjacket* has important implications for political economy, since rational choice techniques can supply the microfoundations which many schools of political economy have lacked in the past.” McLean (1991, p. 776), PCT scholar, celebrated the fact that public choice was becoming less and less ideological than it was in its earlier years. William Mitchell is more direct in his lament:

many political scientists disdain economics and view the Virginians as arrogant, parochial, right-wing economists with imperialistic designs on their discipline - political science. Unlike Rochester, Virginia suffers

²⁷ “In a letter to Olson subsequent to the publication of this review, Buchanan took issue with the imputation of ‘right-wing prejudice.’ He argued that ‘the book was devoted to deriving a simple logic of political choice from a position of methodological individualism’ and wondered whether Olson was actually suggesting that ‘anyone who tries to derive logical basis for democratic government from a consideration of individual choice is guilty of right-wing prejudice.’ Buchanan thought that Olson’s interpretation was, ‘fundamentally a reaction of a strong emotional nature to the ideas,’ rather than a ‘reasoned position that is based on careful examination of the arguments themselves.’ He did allow that the book that the book stimulated in others, especially political scientists, reactions similar to those expressed by Olson, but he believed that these reactions actually derived from the inability of the readers to distinguish between methodology and ideology” (MEDEMA, 2009, p. 142).

from the role and fate of the brusque outsider attempting to impose alien ways and values on the home population. (MITCHELL, 1988, p. 115)

This was written in the 1980s. Years later, new institutional economics became more popular amongst political scientists. Bates (2014) argued that new institutional economics was better accepted by political scientists because it facilitated a less hostile attitude towards the government, which created better research potential in treating the state not as inherently good or bad, but as a potential of human action²⁸. And, in Legal Studies, Kelman's criticism might have molded legal scholars' opinion of PCT, in the introduction to their book on the uses of PCT in Law, Farber and Frickey (1991, p. 11) claim to "steer a middle course between romanticism and cynicism" towards government, associating cynicism with Riker and Buchanan.

Just as Price (1997, p. 20) wrote that there is no unique definition of PBCs, there is also no unique definition of public choice, but ideology seems to be an important trait in some of its definitions. Reactions tended to be dismissive, as in the case of Mueller blaming political correctness and Olson trying to downplay the libertarian ideology of his fellows. However, the discussion of values in Buchanan and Wagner's DiD seems to corroborate Robbins's belief that values cannot be separated from political economy. In their rejoinder to NPM critics, Koester and Gerrit (2007, p. 179-180) invoked the fact that PCT scholars, like the American Founders, "assign great importance to individual liberty as a criterion to evaluate political decisions and institutions" and lamented that such concerns were absent from the works of NPM scholars. They thus attempted to provide a moral high ground to their criticism - a criticism that NPM scholars considered "not easy to respond, [...] bold, and [...] ideologically loaded." (ALESINA; PERSSON; TABELLINI, 2006, p. 205).

5. CONCLUSION

Kenneth Shepsle, one of the most important rational choice-based political scientists, commented that "macro-efforts to model politico-economic phenomena" are

²⁸ "North's work was well-received in part because he mobilized data at the macro level that appeared to confirm the implications of the reasoning that others were developing at the micro level. Had these advances in micro theory not taken place, contemporary political economy might well have remained the provenance of public choice theory; instead, 'institutions rule'" (BATES, 2014, p. 54).

like seeing a talking dog: “its remarkableness is not so much that it is done well, but that it is done at all” (SHEPSLE, 1988, p. 57). The NPM effort to include political institutions is part of the expansion of the scope of macroeconomic. Coase (1998, p. 72) wrote that his research was essentially microeconomic and “whether my strictures [on new institutional economics] apply also to macroeconomics I leave to others”, and it can be said NPM scholars took Coase’s reflection seriously.

The method of NPM might have an affinity to the New Keynesian approach²⁹, with its emphasis on macroeconomic market failures, and acceptance of rational expectations and general equilibrium – and given its application in collective decision making, NPM can be classified at least as a tradition of public choice. In fact, when defining its subject as the study of “the economic *role* of the government” (ALT; CRYSTAL, 1983, p. 239, emphasis added), it implies a more proactive/interventionist view of government as an economic institution and not necessarily entering in conflict with social democracy, putting in potential conflict with some strands of PCT, such as from *DiD* (e.g. WAGNER, 1999). This also generated affinities with the adapted theory of economic policy.

Although NPM has managed to create important research and attract talented scholars, as Gilles Saint-Paul writes, mainstream economists are still skeptical of it, because it still has not succeeded in creating “something comparable in scientific status to the life-cycle theory of savings or the Heckscher-Ohlin theory of international trade” (SAINT-PAUL, 2000, p. 917), in addition to not having specific societies or journals that provide a proper hub for its practitioners. It can be argued that, just as public choice theory, it remains both a branch and a sect of economics (cf. PALDAM, 1993).

Both NPM and PCT remain distant from each other though, even if they overlap a lot. Padovano’s (2004) diagnosis of a lack of cooperation between the two traditions needs to be properly verified with scientometric studies, but, at a first glance, each tradition continues being separate from each other. For example, the National Bureau of Economic Research has a program in Political Economy, whose focus, besides politics, has been on producing research on culture, institutions and identity, using an

²⁹ See Milani (2010) for an example of a New Keynesian PBC model.

economic approach (ALESINA, 2013), with apparently medium to low direct relationship with PCT³⁰.

Will they ever solve their issues? This is hard to answer this, especially given how far they seem from each other. In their criticism of Blankart and Koester, the NPM authors wrote that they “do not really understand why some researchers who claim to belong to the public choice tradition try to set themselves apart from the rest of economics.” (ALESINA; PERSSON; TABELLINI, 2006, p. 207). In other words, while NPM scholars see themselves bringing collective decision making closer to the mainstream, PCT goes to a different direction – in their view *PCT scholars* are the ones that are trying to separate themselves from economics³¹. Table 1 1 indicates how publications in the five main economics journals reflect this state of affairs: NPM scholars published a slightly larger number of papers in these journals in the period analyzed, which might indicate a higher interest by the mainstream, but after removing the Papers and Proceedings of AER, the number of public choice article is slightly higher, which might indicate a more solid foundation of PCT.

Table 1 – Evolution of publications in the Top 5 economics journals, 1986-2000

	AER	AER - P&P	EC	JPE	QJE	RES
NPM	25	12	3	6	6	6
PCT	15	13	6	5	10	2
						NPM: 46 (33)
						TEP: 38 (36)

Source: Elaborated by the author, by analyzing the abstracts of all articles published in the American Economic Review (AER), Econometrica (EC), Journal of Political Economy (JPE), Quarterly Journal of Economics (QJE), and Review of Economic Studies (RES), from 1986 to 2000. The column AER - P&P consists of the AER articles without the issue “Papers and Proceedings”, usually published in the second volume of the journal and consists of short papers presented at the annual meeting, with a less rigid peer review, allowing research that is usually outside the mainstream to be published.

The issue of what language economists use is important, as Azaridis (2018) concludes, in his review of De Vroey (2016): as long as macroeconomics does not unify its languages, progress will be slow. And this chapter showed how NPM and PCT

³⁰ <https://www.nber.org/papersbyprog/POL.html> for a list of publications

³¹ One might argue that PCT (at least its Virginian strand) has more in common with the project of “mainline economics” than mainstream or heterodoxy (ANGELI, 2014). Thus, the relationship between NPM and mainline economics should be a topic for future research.

are different, in part, precisely due to their languages: macroeconomic vs. microeconomic; Walrasian vs. Marshallian; Keynesian vs. libertarian.

When languages converge, there are good results, as Congleton (2018, p. 241) wrote that “some of the most interesting and important results in public choice ‘simply’ made connections among the various research programs of public choice”. The types of connections between these programs are an open question, however cooperation might be less likely under different languages, and different languages mean different objectives and values, and thus political economy might fail to become a complete social science.

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