

## Economics and political economy

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I was asked recently what I thought the difference between economics and political economy was.

I explained that in my opinion when an economist stands in front of a car they think:

*How can we make this thing work with the tools that we have got?*

A political economist standing in the same position thinks something quite different. They ask four questions. The first is:

*Do we need a means of transport?*

Then they ask:

*Is this the best means of transport available to us?*

After which they muse on:

*How can we improve on that best option?*

Before finally considering:

*What new tools might we need to achieve these goals?*

Economists and political economists are very different indeed in that case.