

Socio-economic interdependencies and time horizons: A political economy of the medium term

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Structural analyses of the medium term emphasize the time dimension within and across production processes. In this paper, I explore the building blocks of a *structural political economy* of the medium term. The idea of structural political economy is to go back to François Quesnay's insight that interdependent sectors are also socio-political groups. The aim is to bring together the classical meaning of political economy, concerned with the generation and distribution of the social product, and its modern meaning, which has to do with the overlap between the economic and political spheres. Structural models of the medium term can therefore be reinterpreted in this light.

By seeing economic sectors as (at least potential) bearers of political interests, I look at the implications of time horizons for the overlap between the economic and the political spheres. In particular, I interpret processes of economic and political integration, such as in the European Union, in terms of a traverse between a system composed of relatively independent (national) subsystems towards one made of more interdependent subsystems.

Such traverse depends on the creation of stocks, both in terms of creation of productive interdependencies and legal and institutional systems. Political economy factors are central to whether (and which) stocks are created. I conceptualize such factors in terms of the interplay between each sector's particular interest and the *systemic interest* in the viability and growth of the system as a whole. I consider how this interplay evolves throughout the traverse, and explore the conditions under which crises could favour or hinder economic and political integration.