# Lecture 26 Political Economics

In the period of classical economics, in order to avoid mistaking economics for family financing by outsiders, classical economists added “political” before “economics” to emphasize that it was state financing that economics studied, which is in fact not the scientific nature of economics. When Marshall wrote his “The Principle of Economics”, the term of economics has become well-known, so nobody would mistake it. He thus canceled the adjective of “political”. There are also many outsiders nowadays who mistake “political economics” in classical economics for the economics taking the political factors into account, but it is the same as economics.

However, the mainstream economics does have been just focusing on the economic activities in the market, or the choices based on price criterion. Some economists apply the economic analysis to other fields of social science after the scientific nature of economics became clear. As a result, there is so called “Economic Imperialism”. Especially after the concept of transaction costs were advanced, it has become common to apply economics to analyze the political phenomena. So the term of “Political Economics” is reborn as a cross-discipline of economics and politics, but it is different from the meaning of this term in classical economics.