Agents of Change (Part Two): Innovation in politics

An ever changing economy with its growing complexity also requires new political measures and new political procedures. In contrast to financial and economic innovations however, genuine political innovations are rare in modern democracies. It is therefore often asserted that in contrast to the economic system the political system is unable to innovate.

To add precision to the problem, the present analysis discusses our understanding of processes of change and innovation in general by drawing on original insights offered by Joseph Schumpeter. Evolutionary analyses with their focus on the significance and constraints of new and changing knowledge have contributed to important insights into our understanding of politics (e.g. Witt 2003, Pélikan and Wegner 2003).

As I have argued in a different context the consideration of knowledge is not sufficient (Gerschlager 2012). To understand change, it is crucial to better understand its drivers: the agents of change. In particular, I have we need a better understanding of human motivation steering and directing the processes of change and innovation.

The present contribution probes the extension of this thesis. It points to the relation between human motives, leadership and innovation. It argues that leadership is a significant feature of the agents of change and hence also of change and innovation. It will discuss whether this Schumpeterian insight into economic development also applies to the political sphere.

To set the scene I will discuss Schumpeter’s account of innovation by referring to The Theory of Economic Development (Schumpeter 1911/12, 1926) first. I will focus on the abstract and general qualities that Schumpeter outlines in relation with the entrepreneur and leadership. In particular I will discuss the will to change as a will to break with the past.

I will second draw on Schumpeter’s analysis of policy making under the conditions of a modern democratic system as analyzed in his Capitalism, democracy and socialism (1943 [1975]). This analysis has become influential to our contemporary understanding of political processes. Public Choice and New Political Economy adopt crucial features of Schumpeter’s “new theory” in which the competitive struggle for votes is center stage (in contrast to the traditional role of politics in the pursuit of the common good).

I will third discuss these accounts and their rationales as well as evolutionary refinements and developments in relation with change and innovation and compare them with Schumpeter’s original analysis of leadership in change.

I subscribe to the view that drawing on the history of economic thought can lay bare unrealized potential to better understand current debates/problems. Schumpeter’s theory of
innovation with its focus on human motivation is discussed as a case in point. By applying them to the political system, the present analysis also transforms his insights.

Litterature:

Gerschlager C. Agents of Change. JEE 2012 forthcoming


