

There are a variety of modern definitions of economics. Some of the differences may reflect evolving views of the subject or different views among economists. Scottish philosopher Adam Smith (1776) defined what was then called political economy as "an inquiry into the nature and causes of the wealth of nations", in particular as:

a branch of the science of a statesman or legislator [with the twofold objectives of providing] a plentiful revenue or subsistence for the people ... [and] to supply the state or commonwealth with a revenue for the publick services.

J.-B. Say (1803), distinguishing the subject from its public-policy uses, defines it as the science of production, distribution, and consumption of wealth. On the satirical side, Thomas Carlyle (1849) coined "the dismal science" as an epithet for classical economics, in this context, commonly linked to the pessimistic analysis of Malthus (1798).¹ John Stuart Mill (1844) defines the subject in a social context as:

The science which traces the laws of such of the phenomena of society as arise from the combined operations of mankind for the production of wealth, in so far as those phenomena are not modified by the pursuit of any other object.

Alfred Marshall provides a still widely cited definition in his textbook *Principles of Economics* (1890) that extends analysis beyond wealth and from the societal to the microeconomic level:

Economics is a study of man in the ordinary business of life. It enquires how he gets his income and how he uses it. Thus, it is on the one side, the study of wealth and on the other and more important side, a part of the study of man.

Lionel Robbins (1932) developed implications of what has been termed "[p]erhaps the most commonly accepted current definition of the subject":

Economics is a science which studies human behaviour as a relationship between ends and scarce means which have alternative uses.

Robbins describes the definition as not *classificatory* in "pick[ing] out certain *kinds* of behaviour" but rather *analytical* in "focus[ing] attention on

a particular *aspect* of behaviour, the form imposed by the influence of scarcity." He affirmed that previous economists have usually centred their studies on the analysis of wealth: how wealth is created (production), distributed, and consumed; and how wealth can grow. But he said that economics can be used to study other things, such as war, that are outside its usual focus. This is because war has as the goal winning it (as a sought after **end**), generates both cost and benefits; and, **resources** (human life and other costs) are used to attain the goal. If the war is not winnable or if the expected costs outweigh the benefits, the deciding **actors** (assuming they are rational) may never go to war (a **decision**) but rather explore other alternatives. We cannot define economics as the science that studies wealth, war, crime, education, and any other field economic analysis can be applied to; but, as the science that studies a particular common aspect of each of those subjects (they all use scarce resources to attain a sought after end).

Some subsequent comments criticized the definition as overly broad in failing to limit its subject matter to analysis of markets. From the 1960s, however, such comments abated as the economic theory of maximizing behaviour and rational-choice modelling expanded the domain of the subject to areas previously treated in other fields. There are other criticisms as well, such as in scarcity not accounting for the macroeconomics of high unemployment.

Gary Becker, a contributor to the expansion of economics into new areas, describes the approach he favours as "combin[ing the] assumptions of maximizing behaviour, stable preferences, and market equilibrium, used relentlessly and unflinchingly." One commentary characterizes the remark as making economics an approach rather than a subject matter but with great specificity as to the "choice process and the type of social interaction that [such] analysis involves." The same source reviews a range of definitions included in principles of economics textbooks and concludes that the lack of agreement need not affect the subject-matter that the texts

treat. Among economists more generally, it argues that a particular definition presented may reflect the direction toward which the author believes economics is evolving, or should evolve.