

Criticisms of neo- classical definition of Economics:

Criticism of Marshall's Definition of Economies by Lionel Robbins

After Marshall had given the definition of economics it began to think that the problem of defining economics had ended because it was considered that Marshall's definition provided a correct scope and objective of economics.

Many economists accepted it and even now many modern economists would express agreement with Marshall. But Marshall has also not been without its critics.

This definition and other welfare definitions have been severely criticised by **Lord Robbins**, a prominent English economists. Marshall's definition has been criticised by Robbins on the following grounds.

(i) Impracticable:

The distinction made by Marshall between economic and non- economic activities was not accepted by Robbins. His contention was that all human activities have some degree of economic aspects and significance.

No activity can be classified purely as non-economic. Robbins was of the view that 'Economics' does not deal with economic activities only, but it deals with all kinds of human activities from an economic point of view.'

According to him, a man going to temple, has to spend some of his money either in the form of conveyance expenses (if distance is more), or in the form of donations besides spending his time in going and coming from the temple.

Thus, both time and money are spent and this activity cannot be said to be purely non-economic. Therefore, he expressed that **“every activity has an economic aspect”**.

(ii) Narrow and incomplete:

Prof. Robbins criticised Marshall's definition of economics as narrow and incomplete. Because, this definition only includes **material goods and excludes not material goods like service of a teacher, doctor, lawyer and others.**

(iii) The concept of welfare is not clear:

Robbins argued that the Marshall's concept of welfare is unclear and vague. The concept of welfare relates to the state of mind of a person. This concept changes with time, place and circumstances.

For example, alcohol drinking in India is considered welfare reducing, whereas it is regarded as necessary or welfare promoting in some western countries. Again there are

some goods like cigarettes, wine etc. which do not promote-human welfare, but their production and consumption is studied in economics.

(iv) Welfare is subjective and difficult to measure:

Robbins also objected to the use of word welfare, because it is a subjective phenomenon which cannot measure objectively. Marshall sought to measure welfare with the help of money. But money is not a satisfactory measuring rod of welfare.

If we pay the same amount of money to a poor and a rich person for purchasing a particular commodity, they cannot be said to get equal satisfaction from that commodity. The poor will certainly get more utility than the rich.

(v) Only Materialistic Aspect:

According to Marshall Welfare can be obtained by material means. But Robbins viewed that it is not proper to say that material means alone promote welfare. The non-material goods like services of doctor, lawyer etc. also does promote welfare.

(vi) Only Social Science:

Marshall states that Economics studied the activities of persons who live in society. But what about the extraordinary persons who like a saint in the caves of the Himalayas or sailor in the sea. According to Robbins, economics studied about all man and is a human science.