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**Paper-1**  
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**Type -B : Scarcity Definition of Economics : Robbins**

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

– Prof. Lionel Robbins.

**Characteristics of Robbins's definition of Economics**

**(i) Unlimited Wants:**

Human wants are unlimited in number. Whenever one want is satisfied, then automatically several wants grow up.

Hence it is endless. With the progress in civilization and development science and technology numerous wants are developed. Again several human wants are reoccurring too. Hence, wants are ‘**ever growing and never ending**’.

**(ii) Limited Means:**

Human wants are unlimited but resources or means to satisfy them are limited. **The means refer to goods and services which we use to satisfy our wants.** They are material and non- material goods like time, money, services, resources etc. These resources are scarce.

Here the term scarcity is used not in the absolute sense but in the relative sense i.e., in relation to demand. A commodity may be available in small quantity but if nobody demands, it then it is not scarce. Hence, the scarce means are the basis of all economic problems. Because, if all these means or resources are not scarce, then there will be no problem in economics.

**(iii) Alternative Use of Resource:**

All the scarce means can be used in more than one purpose. In other words, they can be used in several purposes. **For instance, land is very scarce, but land can be used for**

construction of buildings, cultivation, playground etc. Likewise, all these economic resources are used for various purposes. Thus, in reality goods can be put to alternative uses of varying importance.

#### **(iv) Economising Resources:**

The main problem of economics is how to satisfy the unlimited wants with limited means which have alternative uses. Robbins describes this problem as the "**problem of economising scarce means.**" In other words, it is the choice of making of an economic activity. According to **Cassel**, "**Economics is the science of Scarcity.**" Economics is thus a study of certain kind of economics that is economising the resources.

#### **(v) Problem of Choice:**

The problem of economising resources leads to the problem of choice. Since wants are numerous and means are scarce, we have to choose the most urgent wants from these unlimited wants. Hence, the consumer will select few wants from the numerous wants according to his **preference pattern**. Thus, **scarcity of resources makes the choice necessary**. Hence, "**Economics is termed as a science of choice.**"

- **Criticism:**

Scarcity definition is more scientific than both wealth and welfare definitions, but still it has following criticisms:

##### (i) Static:

**Prof Samuelson** pointed correctly that Robbins' definition is not dynamic in nature, because it has only discussed about the problems of present generation, not anything about future generation. Hence the definition suffers with the problem of economic growth.

##### (ii) Too Vast:

It discussed with the scope of economics to all the activities of mankind that are related to the problem of choice. The problem of choice is found in both social and unsocial beings. Thus it has no social significance in real world.

##### (iii) Economic Problems also arise from more supply:

Some economists claimed that economic problem also arises from the plenty of goods as well. The Great Depression of 1930s in USA was due to abundance of goods, but not due to scarcity of resources.

##### (iv) Not fit for socialistic economy:

Prof. Maurice has criticized Robbins' definition that his definition is not applicable for a socialistic economy, because in this type of economy, the Government takes all the initiatives

for supplying all the basic necessities of life among the citizens. For the betterment of whole society the Government usually launches several beneficiary activities.

(v) Not fit for Rich Country:

The economic problem for a rich and sound economy is different from the underdeveloped or poor economy. Here the resources are not limited. In fact, resources are plenty in this type of economy.

(vi) Relation with Welfare:

Robbins' criticised Marshall's definition on the ground of welfare. However limited means are used to fulfill unlimited wants. Thus, it means that maximising satisfaction will lead to more welfare. Hence, Robbins' definition is related with welfare also.