

Economics, a science or an art or both?

Economics- A science or art or both

To enquire into the nature of subject, it is essential to know whether the subject is a science or an art or both. If it is a science, whether it is a positive science or normative science or both. Therefore, it is necessary to know the meaning of science and art before we enquire into the nature of Economics.

What is a science?

Science:- Science is that branch of system which collects all knowledge the facts in a systematic manner about a subject. It also explains the relationship between cause and effect of happening events. Science is based upon facts, but only collection of facts is not called Science

Economics as a science?

Economics as a Science:- Economist do not agree on the question whether Economics is a science or not. According to some economists, Economics is a science, while according to others it is not. Given below are some arguments in favour of treating economics as a science:

Or Based on above information, it may be concluded that economics is also a science because:-

Economics as a Science

- In Economics, facts are observed, collected, classified, tabulated and analysed systematically and then interpreted. / The subject matter of Economics has been systematically collected, classified and analysed.
- Economic laws are formulated to explain cause and effect economic events. Economics is a science in a same way as other science viz. Physics, Chemistry etc. Just as these sciences study uniformities pervading in particular branch of nature, so does economics studies the uniformities regarding human behaviour. On the basis of this study of uniformities in the human behaviour, laws have been formulated which are based on relationship of economic studies of phenomena i.e. cause and effect relationship.
- Economic laws are universal such as Law of diminishing marginal utility, law of equi marginal utility, law of demand, Law of supply, Law of Return apply everywhere.
- Economic facts are measured in terms of money. use of mathematics is continuously increasing in economic analysis, which makes a prediction of economic events easier and more accurate.
- While studying Economics, we have to take adopt the same method as we adopt while studying other sciences. The object of studying various sciences and economics are the same, but in economics study we study the uniformities in human behaviour.

Economics not as a science

Economics not as a science: The argument given against economics not being as a science are

- By study of a science we gather systemised knowledge and thus knowledge is not merely a collection of information regarding facts. In Science, facts are so arranged as speak for themselves. Just because economic formulates certain laws about the human behaviour, it cannot be called as a science.
- Since economics does not resemble the nature of natural science, it cannot be called as science at all. Laws of natural science are certain and true. In case of economic laws, they are not as certain and true. Economics has no prophetic power not does it predict the view of events. In the case of natural Sciences, scientist are in a position to predict. Through the study of astronomy we can tell about astronomical occurrences of solar and lunar eclipses but in case of Economics we cannot be sure of a predictions. Thus, economics laws lack precision

Economics as a social science

Economic is social science because it is a systematic study of economic activities of human beings; whereas Physics, Chemistry etc. are natural Sciences.

The following arguments are given in favour of Economics being a social science:

1) **Systematic study:-** Economics as a social science involves the systematic study of human behaviour focusing on (i) maximization of satisfaction by the households (ii) maximization of profit by Producers and (iii) maximization of social welfare by the society as a whole.

2) **Scientific Laws:** Laws of Economics like law of demand, Law of supply etc. are scientific laws. These laws establish cause and effect relationship between different variables. Law of demand shows that increase in price of commodity will decrease its demand, establishing the inverse relationship between price(the cause) and quantity demanded (the effect).

(iii) **Validity of the law:-** Laws of science are open to verification. Likewise laws of economics are open to verification. Law of Demand, for example, can be verified through any empirical investigation.

Conclusion Economics is a science, though not exact as a natural science. It is a social science and art that studies economic problems and policies in a scientific manner with a view to achieving growth and stability of the various economic institutions in the economy

Economics is an Art

Meaning of Art:- Art is the practical application of knowledge for achieving some definite aim. According to Keynes, "An art is a system of rules of the attainment of a given end". If science is the store of knowledge, art is a systematic use of this knowledge for solving problems. Art is that part of knowledge which lays down specific solution for specific problems. Art is the practical aspects of science. Some economists made distinction between science and art. In the words "The function of science is to explore and explain, and the function of art is to direct. In fact, science and arts are complementary to each other".

Economics as an art:- Economics is also an art as it provides solution to practical problems. Economics is an Art, because practical techniques are employed in economics to achieve economic ends. In practice, economics must advise solutions to various economic problems. Thus, economics is both the light bearing and fruit bearing science.

Economics is an Art

Example:- We all know that unemployment is prevalent in India. This information is obtained From economics as a positive science. We also know that the government aims at removing Unemployment or attaining full employment. This information is supplied by economics as a Normative science. In order to achieve the objective of full employment, the government has pursued the path of economic planning. The path of planning is an art as it implies practical application of knowledge with a view to achieve some specific objectives. As such it can be said that Economics is an art as well.

Conclusion:- Finally we may conclude, that Economics is both a science and an art.

According to Professor Chapman "Economics studies economic facts and events in a real way as positive science. It explores the possibilities that what ought to be the state of economic matters as normative science, and finally it finds the solution to fulfill the desirable economic ends as an art". Thus, economics is a positive and normative science as well as an art.

Economics as positive science

Positive and normative Science:- There are two type of science i) Positive Science ii) Normative Science

Meaning of Positive Science:- Positive Sciences is that science which studies an accurate & true description of events as they happen. It studies facts and establishes relationship between cause & effect (results) of events. It is not concerned with the merits & demerits of facts, it is concerned only with 'what it is'.

Meaning of Positive Economics:-

As a positive science economics means positive statements.

The part of economics which deals with positive statements is called positive economics. But positive statements may not be the statement of facts. Certainly, however these statements are verifiable for the facts.

The positive statements describe what was, what is and what would be under the given set of circumstances. All these statements are capable of empirical verification. On the basis of their empirical verification, we can find out the degree of truth in such statements. These statements do not pass any value judgement.

Study of positive Economics tells us that wants are unlimited, but most of the means of satisfying are scarce. The scarce means have alternative uses. All the positive statements do not offer any suggestions about facts.

Economics as normative science

Meaning of Normative Science:- Normative science studies, 'what ought to be' in place of 'what is'. It also explain merits and demerits of facts. According to J. N. Keynes, "Normative science is systematic knowledge related to 'what ought to be'.

Many economics like Marshall, Pigou etc. think that economics also a normative science. A normative science is that science the study of which relates to: what ought to be? Its objectives is to determine the norms or aims. This science also offer suggestions for solving the problems.

For example, as a normative science will offer suggestions, such as prices should be stabilized; distribution of income should be equal; rich should pay more taxes and the poor should get higher wages etc.

As a normative science, economics makes normative statements. These statements pronounce value judgement. These are opinions relating to right or wrong of particular policy matter. These statements cannot be empirically verified.

Meaning of Normative Economics:-

As a normative science, economics makes normative statements. That part of economics which deals with normative statements is called normative economics. Thus, economics is both a positive & normative science.

Economics as normative science

Following arguments may be given in support of the fact that Economics is a normative science:

- Economics cannot be neutral between ends, because main object of the study of Economics is to maximize the use of scarce means.
- Positive and normative, both the aspects are important for the study of human behaviour.
- Economics should be closely related with ethics to solve practical problems of dynamic economic life.
- Even Robbins, who advocated economics as only positive science has not denied the importance of normative aspect of Economics.
- Economics is a social science. Therefore it must be both positive as well as normative.

Micro Economics and Macro Economics

Micro Economics

Studies economic activities of an individual economic unit such as individual household, individual business etc.

In the phrase 'Micro Economics' micro means small. As the name suggests it is not aggregative but selective whereas macroeconomics is concerned with the level of output as a whole.

Microeconomics may be defined as a study of prices of an individual commodities and services in individual markets. Its object is to discover why precisely 'A' firm produces a particular commodity or 'B' household demands particular commodity, why the prices of one is greater than the others.

Micro Economics and Macro Economics

Macro Economics:

Studies economic activities related to economy as a whole such as national income, total employment etc.

According to Professor Boulding "Macroeconomics is that part of subjects which deals with the aggregate and average of the system rather than with particular items in it and attempts to define these aggregates in a useful manner and to examine how they are related and determined"

It is sufficiently clear from the above definition that macroeconomics aims at dealing with the aggregates & averages. The economics while following the macro approach are not interested in individual items such as individual consumer, buyer, producer and seller etc. Micro Economics seeks to analyse the behaviour of an individual in micro analysis. The observer of Macro Economics is Micro Economics.