

# Economics in Relation to Other Social Sciences

**Saroj Kumar Singh**

*Associate Professor, Department of Rural Economics  
B. N. Mandal University, Madhepura, Bihar (S.N.S.R.K.S. College, Saharsa)  
drsaroj999@gmail.com*

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**Abstract:** *Economics is a social science, which deals with human wants and their satisfaction. It is related to other social sciences like sociology, politics, history, ethics, jurisprudence, and psychology. For example, the economic development of a nation depends not only on economic factors but also on historical, political, and sociological factors. Our country did not have much of economic progress during the British rule owing to historical reasons. Again, we had slow but steady economic growth in our country because of political stability. However, in many other countries, there was no steady growth because of political instability. If there is one government today and another government tomorrow, there will not be economic development in that country. We shall discuss, in some detail, economics in its relation to other social sciences.*

## 1. INTRODUCTION

Economic analysis is sometimes also applied to such diverse subjects as crime, education, the family, law, politics, religion, social institutions, war, science, and the environment. Economics is, therefore, considered a branch of sociology, which is a study of the history and nature of society. Because of this, we find that economics is closely related to the other social sciences like Ethics, Political Science, and History etc.

### 1.1 Economics and Sociology

Sociology is the science of society. Social sciences like politics and economics may be considered as the branches of sociology. Sociology is a general social science. It attempts to discover the facts and laws of society as a whole. Sociology deals with all aspects of society. But economics deals only with three economic aspects of a society. It studies human behaviour in relation to scarce means and unlimited wants. For a student of sociology, social institutions like marriage, religion, political institutions, and economic conditions are all important subjects for study. However, in economics, we are interested in them only to the extent that they affect the economic life of a society. And we cannot properly understand the economic conditions of a society without considering its sociological aspects. Though economics is a branch of sociology, we must look at it as a separate and distinct branch.

### 1.2 Economics and Politics

Both economics and politics are social sciences and there is a close connection between them. Politics is the science of the

State or political society. It studies about man in his relation to the State. Largely the government influences the production and distribution of wealth. We have economic planning in our country. In addition, the main aim of planning is to increase the national income by increasing production and by a proper distribution of income.

The Planning Commission, which is an agency of the government, plays a vital role in it. Some of the important questions like nationalization, privatization, and prohibition are all economic as well as political questions. Elections are fought often in many countries on economic issues. Unemployment, labour disputes are all economic issues. However, government has to tackle them. The relationship between economics and politics is so great that the early economists described economics as political economy.

Sometimes, political ideas and institutions are influenced by economic conditions. For example, socialism was born of economic inequalities and exploitation in England during the industrial revolution. Karl Marx is considered as the Father of (scientific) socialism.

### 1.3 Economics and History

Economics and history are closely related. History is a record of the past events. In history, we survey economic, political, and social conditions of the people in the past. To a student of history, love affairs, marriages, and even murders of kings are important subjects of study. For example, the murder of Julius Caesar is important for a student of Roman history. In our country, the religious policy of Mughal emperors is important for a student of history. However, we are interested in history only to the extent that it will help using understanding economic problems of the past.

As students of economics, we are interested in things like taxation and other sources of revenue and standard of living in the past. In economics, we make use of historical data to formulate economic laws. We make use of history in economics to study the material conditions of people in the past. There is a separate branch of economics known as

“Economic History.” We may say economics is the fruit of history and history in the root of economics:

*“Economics without history has no root; History without economics has no fruit.”*

#### 1.4 Economics and Ethics

Ethics is a social science. It deals with moral questions. It discusses the rules that govern right conduct and morality. It deals with questions of right and wrong. It aims at promoting good life.

There is connection between economics and ethics. While economics, according to Marshall, aims at promoting material welfare, ethics aims at promoting moral welfare. When we discuss economic problems, often we consider ethical issues. The government introduced prohibition in many states for ethical reasons, though there was heavy loss of revenue to it. However, Lionel Robbins strongly believes that an economist as an economist should not consider ethical aspects of economic problems. Nevertheless, many economists do not agree with him. They believe that economics cannot be dissociated from ethics. Even Marshall considered economics as a handmaid of ethics. He looked at economics as a study of means to better the conditions of human life.

#### 1.5 Economics and Jurisprudence

Jurisprudence is the science of law. The economic progress of a nation depends largely on its legal system. Good laws promote economic progress and bad laws act as an impediment to growth. For example, in the past when we welcomed foreigners to invest in our country, they used to say our taxation was complex and not good. Of course, now things have improved. So we must have simple and clear laws in the fields of taxation and labour legislation to promote economic progress.

#### 1.6 Economics and psychology

Psychology is the science of mind. It deals with all kinds of human behaviour. For example, we have child psychology, mob psychology, industrial psychology, and criminal psychology. However, economics studies one aspect of human behaviour. It studies human behaviour with reference to unlimited wants and limited means. Of late, psychology has become important in analyzing economic problems. To deal with labour problems, we must understand industrial psychology. In addition, a good businessperson must understand the psychology of buyers whenever he wants to change the price of his good. Many important laws of economics are based on psychology. For

example, we have the law of diminishing marginal utility. It tells that the more and more of a thing you have, the less and less you want it.

#### 1.7 Economics, mathematics and statistics

Among other sciences, economics is related to mathematics and statistics. Statistics is the science of averages. It is the science of counting. Many tables and diagrams used in economics are based on statistical analysis. Mathematical methods are largely used in modern economics.

Now we have a new science called *econometrics*. It makes use of statistics and mathematics in economics. The econometric society was founded in 1930, and the first Nobel Prize in economics was awarded to Jan Tinbergen and Ragnar Frisch for their contribution to econometrics.

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