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Review Article

Lionel Robbins on the Definition of Economics and "Status of Ends"

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Abstract
The common textbook definition of modern economic science is some variant of Robbins' famous statement: "Economics is the science that studies human behaviour as a relationship between ends and scarce means which have alternative uses." This definition is ambiguous for several conceptual deformities, which have been known for decades. One of these deformities is that he articulated his doctrine in the light of the life of a marooned man, Robinson Crusoe, whose primary motive was to survive. For this purpose, he needed to collect wood and grow potatoes. He also learned to tame birds to pass the time in between working and sleeping for entertainment. Since these activities are essential for survival and pastime, we all do these but in ways which have little in common with Crusoe's marooned life. The nature of ends, means and pastime is all very different, which cannot be explained through Crusoe's motives and skills. The horrendous literature produced on Robbins's Essay hardly examines this issue, which this paper does, and concludes that the phrase "Status of Ends", discussed in Chapter 2, is so confusing conceptually that the definition of economics provided in the Essay hardly expresses any sound idea.

Keywords: Lionel Robbins; Definition of Economics; the Status of Ends; and Resource Scarcity

Introduction

In his classic work, An Essay on the Nature and Significance of Economic Science, Robbins (1932) defines economics as the study of human behaviour in terms of the relationship between "ends" and "scarce means" that have alternative uses. To highlight the nature and significance of the word "scarce," he designates his conception as the "scarcity definition," an alternative to Marshall's "materialist" one. He was not welcomed for this novel idea at first; indeed, he was severely criticised by many of his able colleagues, including Keynes (1933), a criticism that continues. If alive, he would have been delighted to see that modern popular introductory textbooks mimic his definition in some way or other.

This history, however, has not ushered in a welcome development. In our introductory courses, we tell our students that economics is a "science of choice," which reflects Robbins' definition. At the same time, our distinguished colleagues specializing in economic thought and history have not yet found a satisfactory resolution to the debate. Colander (2005, p.249) justly says: "Fifty years ago, what was taught in the principles of economics course reflected reasonably well what economists did in their research. That, however, is no longer the case; today, what economists teach has a more nuanced relation to what they do. The reason is that the economics profession and the textbooks have evolved differently."

This situation apparently inspired Backhouse and Medema (2009) to draw the following conclusion in an article published in the Journal of Economic Perspectives:

Modern economists do not subscribe to a homogeneous [emphasis added] definition of their subject. At a time when economists are tackling subjects as diverse as growth, auctions, crime, and religion, with a methodological toolkit that includes real analysis, econometrics, laboratory experiments, and historical case studies, and when they are debating the explanatory roles of rationality and behavioural norms, any concise definition of economics is likely to be inadequate.

This lack of agreement on a definition does not necessarily pose a problem for the subject. Economists are generally guided by pragmatic considerations of what works or by methodological views emanating from various sources, not by formal definitions: to repeat the comment attributed to Jacob Viner, economics is what economists do. However, the way the definition of economics has evolved is more than a historical curiosity. At times, definitions are used to justify what economists are doing. Becker's definition reflects his approach to economic analysis, and the principles texts from which we quoted in our introduction reflect their authors' perspectives on current work in the subject–even if the actual contents of these texts vary little across authors.

However, definitions can also reflect the direction their authors want the subject to take and can even influence practice. Robbins (1945, p.15) claimed that his essay was based on "the actual practice of the best modern works" on economics. This is a statement with which the Marshallians and the Institutionalists, the dominant forces in the profession at the time, would not have agreed. In other words, Robbins's definition reflected how he believed economics should be done. James Buchanan (1964, p. 214), for one, believed that the Robbins definition did influence the practice of economics rather than simply summing it up: "Only since The Nature and Significance of Economic Science," he said, "have economists so exclusively devoted their energies to the problems raised by scarcity, broadly considered, and to the necessity for the making of allocative decisions." Whether or not economists are conscious of it happening, adhering to a specific definition may constrain the problems that economists believe it is legitimate to tackle and the methods by which they choose to tackle them (Backhouse & Medema, 2009, p.231).

The three paragraphs quoted above underline three critical points (Elahi, 2021). First, the proposition that "modern economists do not subscribe to a homogeneous definition of their subject" is likely borrowed from Keynes (1891), who argued that the method of political economy could not be described by a single phrase. Backhouse and Medema reason that modern economics encompasses a vast range of subjects that cannot be encapsulated in one or two sentences. This statement is logically contestable because each word and phrase has a dictionary definition that signifies a specific idea. Second, Backhouse and Medema's argument that this disagreement "does not necessarily pose a problem for the subject" is equally untenable, given that we are teaching methodology and theory to our students. Finally, their apology that "the definition used by an author reflects the direction in which they want the subject to move and influence its practice" converts the science of economics into a personal intellectual enterprise. The truth of this statement is supported by the modern practice of criticism and appraisal. Instead of analysing the nature of disagreements over a subject of academic controversy, the modern practice is to report the opinions of different authors, as Backhouse and Medema have done.

This status of the definitional debate, disappointing indeed, presents an intriguing paradox for the discipline. It suggests that the vast literature on the topic has overlooked a key factor that has made identifying a reasonable resolution particularly difficult. Robbins' keywords - "ends" and "the scarcity of means" –are perhaps ambiguous, demanding curious investigation.

This paper, which addresses the status of "ends" as explained in Chapter II, Section 2, is organised as follows. The next section briefly discusses the discourse's keywords, "ends," "means," and "scarcity," as they are understood by ordinary educated minds. Section 3 describes how Robbins distinguished between "materialist" and "scarcity" definitions. To avoid any risk of misinterpreting Robbins's conception of the "status of ends," Section 2 is copied uncut in Section 4. Section 5 analyzes this paragraph by paragraph to highlight its conceptual ambiguity in the context of defining modern neoclassical economics. The paper is concluded in Section 6.

Ends, Means, and Scarcity in Microeconomics

Microeconomics is the study of how individuals, households, and firms allocate scarce resources and make decisions in specific markets, focusing on topics such as supply, demand, pricing, and production costs (Google AI). It examines human behaviour in relation to wealth to explain why a product's price changes, how consumers allocate their budgets across commodities and services, and how firms set wages, using concepts such as market mechanisms, utility, and profit maximization.

This definition sets out the context within which the meanings of ends, means, and resource scarcity should be examined and understood, a formidable task. To understand the true significance of "resource scarcity" in modern microeconomics, we must clarify the meanings of "ends" and "means," as these concepts vary across economic actors and are interwoven with "utility" in microeconomic theory. All difficulties in Robbins' treatment of these subjects have arisen from ignoring the interpersonal differences in utility - conventional wisdom in microeconomics.

Ends, Means and Scarcity: Dictionary Meanings

End: A good start to understanding the meaning of "ends" as used in economics may begin with the word's etymology. The noun "end" derives from Old English "ende," meaning "end, conclusion, boundary, district, species, or class." The word can be traced back to Proto-Germanic "andijaz," meaning "end" or "boundary," and ultimately to "$h_2$ent," "front, forehead, face," from the Proto-Indo-European root (Etymology, 2026). Modern dictionaries record three popular definitions of the term: (a)the part of an area that lies at the boundary, (b) cessation of a course of action, pursuit, or activity, and (c) an outcome worked toward: purpose. The last meaning is a connotation, not a denotation.

Means: The dictionary meaning of this word seems straightforward. It typically denotes a method, action, or system that yields one or more outcomes. The other common meaning is resources at one's disposal, including money and physical assets.

Scarcity: a situation in which a resource is difficult to obtain, viz., white elephants. This animal is a rare species used figuratively to denote something costly.

Ends, Means and Scarcity as Economic Jargons

These dictionary meanings differ significantly from their uses in microeconomics. Overlooking this truth is one reason for the controversy surrounding their causal connections.

Ends: The general idea implied by the term is the ultimate objective or purpose of consuming various commodities. However, in the discourse that defines economics and delimits its subject matter, this fundamental meaning is associated with the ideas of individuals' or households' unlimited wants, needs, and desires. Google AI identifies four key aspects of ends in economics: (i) unlimited nature, (ii) competing ends, (iii) ordered by importance, and (iv) subjectivity in importance. Individual ends are numerous, ranging from basic needs (food, shelter) to luxury desires, and they compete with one another because the means available to satisfy them are limited. Therefore, individuals must prioritize their ends according to their relative urgency because of resource scarcity. For example, all individuals, regardless of their economic status, must prioritize food purchases over other expenditures. Finally, ends vary across individuals for multiple reasons, including income and preferences.

Means: In consumer theory, the term denotes an individual consumer's purchasing power, which stands in direct contradiction to their ends. Ends are numerous, whereas means are limited; this is the source of resource scarcity in Robbins' definition of economics. The two key features of means in economics include scarcity and alternative uses. Resources (incomes) available to a consumer are finite, which forces them to choose among their infinite ends, suggesting that these means can be employed in alternative uses. Accordingly, the study of economics centers on the relationship between limited means and unlimited human wants.

Resource Scarcity: The definitions of ends and means described above give a pretty good idea of what this concept signifies in the context of consumer theory. It underlines the fundamental economic problem of a consumer who must balance their infinite ends with finite means. This is a fact of life, meaning it is natural. Therefore, economics, as a science, has little to do with this fundamental human feature. Instead, the discipline is expected to moderate its social manifestations.

Scarcity Conception in the Consumer Theory: A Mathematical Formulation

Before examining the nature and significance of scarcity in subsequent sections, the kind of causal relationship resource scarcity creates between infinite ends and finite means is discussed symbolically as follows:

$S(M, E) = f(M \text{ and } E)$; $S_m < 0$; $S_e > 0$

In this equation, S denotes scarcity, M denotes means, and E denotes ends; Sm denotes the first derivative of S with respect to M, and Se denotes the first derivative of S with respect to E. Sm is a decreasing function of M, meaning the sign of the derivative is negative. Se is an increasing function of E, meaning the derivative is positive.

This is a standard interpretation of the definition of scarcity that highlights certain aspects of Robbins's conceptual weakness. First, the perception of scarcity is directly related to the utility consumers receive from different commodities, which Adam Smith divided into two kinds: use value and exchange value. The use value exhibits the material, as opposed to financial, utility of the concerned commodity, meaning the use value of different commodities must be different.

Let us illustrate this proposition using two commodities: water and diamonds. Consider diamonds first. This rare mineral has little use value because it is not necessary for physical gratification. However, this artifact has high exchange value because possession of it is directly tied to social status. Like other commodities, its demand depends on two factors: money income and tastes. It is widely held that this luxury item is intended only for the wealthy, but this is only partially true because consumers' tastes, i.e., their willingness to purchase, do not depend on money income alone; they also depend on their moral makeup. An example is the establishment of philanthropic foundations worldwide, including the Novo Nordisk Foundation (Denmark), the Tata Trusts (India), and the Bill & Melinda Gates Foundation (USA). The combined endowment funds of these corporations' amount to USD 337 billion (Wikipedia, 2026).

On the other hand, water is essential for survival, implying that its use value is 100% to all individuals. Now imagine a fictitious scenario: A carefree billionaire plans a desert crossing adventure in which he can carry enough food and drink to cross half of the desert. To cross the second half, he will need a fresh supply, which is available as well. Suppose the store manager offers the billionaire an unimaginable opportunity. He is given the option to purchase the necessary food and drink or a bag of diamonds worth millions of dollars with the same amount of money. According to the famous water-diamond paradox, the billionaire is supposed to grab the opportunity and buy the bag of diamonds. The reason is that the exchange value of water is insignificant compared to that of a diamond. This supposition seems rubbish simply because we all use a commodity before considering its exchange value.

The situation can be explained by invoking Newton's "theory of gravitation," articulated in his classic Mathematical Principles of Natural Philosophy (1687), which was famously sparked by an apple falling on his head. At that time, it was a proposition or hypothesis. In epistemological language, it was propositional knowledge. It became a justified true belief (JTB), a theory in the language of science, after the documentation of scientific evidence. This required creating a controlled environment free of air so that the resistance to a falling body could be neutralised.

In the water-diamond paradox, the principle of controlled experimentation is violated by examining an individual's purchasing behaviour under actual market conditions, which are influenced by income constraints and tastes. It is important to note that the basic microeconomic market model is hypothetical rather than actual. In this case, the billionaire's choice is clear: he will refuse the bag of diamonds and accept water instead.

The degree of scarcity perceived by our iconic consumer, homo economicus (HE), is determined by the interaction between the ends and the means available to satisfy them. If they are equal, meaning HE has enough "means" to satisfy all her ends, then S is zero. On the other hand, S becomes positive when the absolute value of Sm exceeds that of Se. If Se = 0, the concept of scarcity becomes irrelevant, irrespective of Sm's value. It is thus evident that the accuracy of defining the nature and scope of economics in terms of the scarcity definition critically depends on the measurement of "ends" unambiguously.

Readers' expectations formed after studying the scarcity definition in Chapter I may disappear with the following statement in Section 2 of the second chapter: "Economics is not concerned with ends as such. It assumes that human beings have ends in the sense that they have tendencies to conduct which can be defined and understood." In this sentence, Robbins argues that consumers' progress toward their objectives is conditioned by the scarcity of meansspecifically, that the disposal of scarce means is contingent on these ultimate valuations. His argument is assessed in the following sections.

Definition of Economics: Materialist vs. Scarcity

In the Preface to the first edition of the Essay, Robbins (1932, p. vii) states:

The purpose of this essay is twofold. In the first place, it seeks to arrive at precise notions concerning the subject-matter of Economic Science and the nature of the generalisations of which Economic Science consists. Secondly, it attempts to explain the limitations and the significance of these generalisations, both as a guide to the interpretation of reality and as a basis for political practice.

This paper addresses the first part of the first objective. The Essay is divided into six chapters, of which Chapters I and II are concerned with this objective, respectively titled "subject matter of economics" and "ends and means."

Chapter I begins with these words: "The object of this Essay is to exhibit the nature and significance of Economic Science. Its first task, therefore, is to delimit the subject-matter of Economics to provide a working definition of what Economics is about (p.1)." This statement may be paraphrased as follows: in order to delimit its subject-matter, this chapter provides a working definition of what Economics is all about.

This point is critical to understanding Robbins' arguments articulated in the Essay. To delimit the subject matter of a discipline, we must first separate its theme from other fields of study. The social sciences, divided into four major areas – economics, political science, psychology, and sociology - study human behaviour. Economics is distinguished from other fields by its focus on human behaviour regarding the production and consumption of wealth. Thus, the two statements above raise a linguistic question regarding the meanings of "definition" and "subject matter," which the post-Essay literature seems to have overlooked.

Materialist Definition of Economics

To highlight the distinction between the prevailing conception of economics and his own, Robbins divides the discussion into two categories: materialist and scarcity definitions. "The materialist definition" identifies the study of economics with 'the causes of material welfare, which can be found in Marshall's Principles of Economics:

Political Economy or Economics is a study of mankind in the ordinary business of life; it examines that part of individual and social action which is most closely connected with the attainment and with the use of the material requisites of well-being. Thus, it is on the one side a study of wealth; and on the other, and more important side, a part of the study of man. For man's character has been moulded by his everyday work, and the material resources which he thereby procures, more than by any other influence unless it be that of his religious ideals; and the two great forming agencies of the world's history have been the religious and the economic (Marshall, 1890, p.1).

In this definition, Marshall highlights that the subject matter of economics concerns the "ordinary business of life," specifically the production and consumption of material goods and services. Therefore, the "material welfare" is the central conception in this definition.

Robbins rejects this necessary conception by offering three reasons. First, the materialist definition does not describe the ultimate subject matter of the science's main generalisations, which is the final test of a discipline's validity. This definition is founded on the ordinary usage of the words "economic" and "material." Second, it equates the study of economics with the causation of material welfare, which is untenable because many activities, including those in the entertainment industry, are not directly related to material welfare. Third, this definition aligns 'economic' and 'non-economic' activities with material and non-material production, which is also objectionable. Economics, as a science, is founded on the idea of exchange in markets.

The Scarcity Definition

To replace Marshall's idea of ordinary business of life, Robbins posits that the conditions of human existence exhibit four fundamental characteristics: (i) the ends are various. (ii) the time and the means for achieving these ends are scarce (limited), (iii) these scarce means have alternative applications, and (iv) the ends have different importance. Therefore, these four conditions must be present in any definition of economics to be considered acceptable.

However, these conditions, by themselves, are not relevant to economic analysis; they must be present simultaneously to demonstrate the unity of the generalisations achieved in economic science. First, the multiplicity of ends is of little interest to economists when treated in isolation.

If I want to do two things, and I have ample time and ample means with which to do them, and I do not want the time or the means for anything else, then my conduct assumes none of those forms which are the subject of economic science [emphasis added]. Nirvana is not necessarily single bliss. It is merely the complete satisfaction of all requirements (Robbins, 1932, p.12).

Second, the limitation of means, by itself, does not generate economic phenomena. If means of satisfaction have no alternative use, then they may be scarce, but they cannot be economised. The Manna which fell from heaven may have been scarce. However, it cannot be a subject of any activity with an economic aspect if it were impossible to exchange for something else or to postpone its use.

Third, these limited means must have an alternative application opportunity. Every activity involving time and limited resources is typically intended to achieve a single goal, meaning that other objectives must be sacrificed to achieve this end. "If, in a limited lifetime, I would wish to be both a philosopher and a mathematician, but my rate of acquisition of knowledge is such that I cannot do both completely, then some part of my wish for philosophical or mathematical competence or both must be relinquished." Finally, the intensity of want, which reflects its relative importance or priority, must be different from one another. If the importance of want is the same for all ends, then the decision-maker would be indifferent about choosing their ends. In other words, the issue of choice is irrelevant in this case.

In general, human activities that closely interlink these conditions create scarcity, compelling individuals and organizations to prioritize their needs. 'Scarcity of means to satisfy given ends is an almost ubiquitous condition of human behaviour.' So, Robbins concludes:

Here, then, is the unity of the subject of Economic Science, the forms assumed by human behaviour in disposing of scarce means. The examples we have discussed already harmonise perfectly with this conception. Both the services of cooks and the services of opera dancers are limited relative to demand and can be put to alternative uses. The Theory of Wages in its entirety is covered by our present definition. So, too, is the Political Economy of War. The waging of war necessarily involves the withdrawal of scarce goods and services from other uses if it is to be satisfactorily achieved. It has, therefore, an economic aspect [emphasis added]. The economist studies the disposal of scarce means. He is interested in the way different degrees of scarcity of various goods give rise to varying ratios of valuation between them, and he is interested in the way in which changes in conditions of scarcity, whether coming from changes in ends or changes in meansfrom the demand side or the supply sideaffect these ratios. Economics is the science which studies human behaviour as a relationship between ends and scarce means which have alternative uses [emphasis added] (Robbins, 1932, p.15).

Role of End in Economic Analysis

The italicized sentence above is the well-known "scarcity definition," the focus of Robbins' Essay. This definition underlines three key ideas: ends, scarce means and alternative uses. Chapter II of the Essay assesses the implications of the definition by examining the status of ends and means in economic theory and economic history. Section 2, discussing the "status of ends," is reproduced below to avoid any disagreements that may result from interpretation.

Economics, we have seen, is concerned with that aspect of behaviour which arises from the scarcity of means to achieve given ends. It follows that Economics is entirely neutral between ends; that, in so far as the achievement of any end is dependent on scarce means, it is germane to the preoccupations of the Economist. Economics is not concerned with ends as such. It assumes that human beings have ends in the sense that they have tendencies to act that can be defined and understood, and it asks how their progress towards their objectives is conditioned by the scarcity of meanshow the allocation of scarce means is contingent on these ultimate valuations.

It should be clear, therefore, that to speak of any end as being itself "economic" is entirely misleading. The habit, prevalent among certain groups of economists, of discussing "economic satisfactions" is alien to the central intention of economic analysis. Satisfaction is to be conceived as an end-product of activity. It is not itself part of that activity which we study. It would be going too far to urge that it is impossible to conceive of "economic satisfactions". For, presumably, we can so describe a satisfaction which is contingent on the availability of scarce means as distinct from a satisfaction which depends entirely on subjective factorse.g., the satisfaction of having a summer holiday, as compared with the satisfaction of remembering it. But since, as we have seen, the scarcity of means is so wide as to influence in some degree almost all kinds of conduct, this does not seem a useful conception. And since it is manifestly out of harmony with the main implications of our definition, it is probably better avoided altogether.

It follows, further, that the belief, prevalent among the more neurotic critics of Economic Science, that the preoccupation of the economist is with a peculiarly low type of conduct, depends upon misapprehension. The economist is not concerned with ends as such. He is concerned with the way in which the attainment of ends is limited. The ends may be noble or they may be base. They may be "material" or "immaterial" if ends can be so described. But if the attainment of one set of ends entails sacrificing others, then it has an economic aspect.

All this is quite obvious if only we consider the actual sphere of application of economic analysis, instead of resting content with the assertions of those who do not know what economic analysis is. Suppose, for instance, a community of sybarites, their pleasures gross and sensual, their intellectual activities preoccupied with the "purely material". It is clear enough that economic analysis can provide categories for describing the relationships between these ends and the means which are available for achieving them. But it is not true, as Ruskin, Carlyle, and suchlike critics have asserted, that it is limited to this sort of thing. Let us suppose this reprehensible community to be visited by a Savonarola. Their former ends become revolting to them. The pleasures of the senses are banished. The sybarites become ascetics. Surely economic analysis is still applicable. There is no need to change the categories of explanation. All that has happened is that the demand schedules have changed. Some things have become relatively less scarce; others more so. The rent of vineyards falls. The rent of quarries for ecclesiastical masonry rises. That is all. The distribution of time between prayer and good works has its economic aspect, equal to that of the distribution of time between orgies and slumber. The "pig-philosophy" to use poor Carlyle's name for Economics turns out to be all-embracing.

To be perfectly fair, it must be admitted that this is a case in which Economists are to some extent to blame for their own misfortunes. As we have seen already, their practice has been unexceptionable (Robbins, 1932, pp. 23-27).

Robbins's Remarks on the Status of Ends in his Scarcity Definition of Economics: Some Critical Observations

The working definition of economics proposed about a century ago is restated here: Economics is the science that studies human behaviour as a relationship between ends and scarce means with alternative uses, whose academic virtue hinges critically on the meanings of "ends" and "means" in that context. The current popularity of this definition among the textbook writers suggests that they are quite convinced by the explanation Robbins provided in Section 2 of Chapter II. This paper takes a different view from this orthodoxy.

Neutrality of Ends

The first paragraph of the preceding section, which argues that "economics is entirely neutral between ends," seems ambiguous because it denies the influence that the "use value" exerts on the demand for a commodity. More specifically, Robbins seems to argue that there is no difference in the utilities consumers derive from using different commodities exchanged in the market. For example, consumers place no priority on purchasing food and furniture, which is supported by the following statement: "Economics is not concerned with ends as such. It assumes that human beings have ends in the sense that they have tendencies to act that can be defined and understood, and it asks how their progress toward their objectives is conditioned by the scarcity of meanshow the disposition of scarce means is contingent on these ultimate valuations."

Irrelevance of "Economic" Ends

Robbins contends that the phrase "economic ends" is misleading because it is irrelevant to the central purpose of economic analysis. "Satisfaction" is understood as the end-product of an activity, but it is not itself part of the activity under study. The end product here is economic scarcity, not satisfaction. Satisfaction is a subjective, value-laden word, while scarcity is an objective or scientific concept. Accordingly, Robbins recommends avoiding the term altogether because the word satisfaction is manifestly out of harmony with the main implications of his definition.

This irrelevance argument is contestable from two perspectives: natural and emotional. First, from a natural perspective, all goods and services that individuals consume can be classified as necessities or luxuries. The necessary goods and services are those indispensables for survival, such as food, shelter, and healthcare. Here, the role of exchange, which depends on the elasticity of substitution, is insignificant, meaning the theory of exchange is primarily relevant for luxury commodities. Second, emotional factors basically determine the exchange value. For example, as mentioned above, diamond products have no exchange value to a hermit. Similarly, the decision about how to allocate additional savings varies from person to person. Some people consciously save to buy vacation packages, while others may donate these savings to charity.

However, the weakest link in Robbins's conception lies in its socio-economic, or social-economics, perspective. Here, we examine human behaviour in relation to the production and consumption of wealth. Human behaviour cannot be properly understood without a sound understanding of human nature, a subject of moral philosophy. Robbins's foray into this complex field of moral philosophy seems intrusive, as he does not appear to have the necessary background knowledge.

The meaning and message of this statement can be explained by referring to the authority of Aristotle in the Nicomachean Ethics, in which he offers the "chief" or "supreme" good. All arts and sciences, similarly, all actions and choices are believed to aim at some good, for which it is rightly held that the good is that thing at which all things aim. However, there are significant differences in the ends sought through these actions; some are just activities, while others are products distinct from the activities that produce them. When ends and actions differ, the expected outcome is better than the activities.

The fact that there are various actions, arts, and sciences implies that their ends must differ. For example, the end of the medical art is health; that of shipbuilding is a vessel; that of strategy is victory; and that of economics is wealth. Despite this fact, there is some end of things which is desired for its own sake, i.e., everything else is desired for the sake of this end. Then this end must be the good that we all desire and seek, which Aristotle calls the "chief end" or "supreme good." This knowledge has the greatest influence on personal and social life; therefore, seeking it should be philosophy's ultimate objective. Finally, this knowledge is political in nature, as "man" is a political animal and political science is the supreme discipline among all sciences, as it aims at the highest of all goods achievable in a city. The name of this supreme good is "happiness," by which common people as well as educated ones understand living and doing well, although they widely differ about its definition. To ordinary people, happiness is a plain and obvious thing, like pleasure, wealth, or honours. However, the refined minds think differently. To them, happiness means self-realisation, which occurs when one realises one's full natural capacity.

Let us now apply this Aristotelian aphorism in interpreting the meaning of the end in defining economics. The end of medical science is good health, which suggests that the end of studying economics must be promoting the economic well-being of the people. Robbins has steadfastly rejected this proposition, from which he may be allowed to argue that the consumers have no end either. Thus, the whole science of economics has no purpose except to allow producers to realise their selfish objective, viz., making profits.

Irrelevance of "Neurotic" Critiques

A misapprehension, Robbins remarks, prevails among "more neurotic critics of Economic Science" that the study of economics is particularly concerned with investigating "a low type of conduct." It is a misapprehension because the fundamental problem of economic analysis is balancing the unlimited ends with limited means, whether noble or base, material or immaterial. An analysis is said to have an economic dimension if the attainment of one set of ends entails sacrificing others.

This remark by Robbins about the definition and purpose of economics demands critical examination. Whether we take a historical perspective or consider the contemporary economic environment, "ordinary business of life," to use Marshall's words, the production of necessary goods and services remains a fundamental policy concern for the government. Collecting food was the only preoccupation of our ancestors. Civilisations progressed through advances in science and technology, which led to specialisation and diversification in human behaviour and activities. This development, in turn, added more menus for human consumption, some necessary and some luxuries. However, the pattern of demand remained unchanged because it was naturally determined. The priority of choice begins with commodities indispensable for survival for those who entirely depend on income and tastes.

In today's affluent world, securing the basic necessities of life is a fundamental concern for half of the world's population (World Bank, 2026). In the US, over the last three and a half decades, the richest 1% of households have accumulated wealth almost 1,000 times that of the poorest 20%, a disparity that has been worsening rapidly (Cox, 2025). In 2024, the wealth of the 10 richest U.S. billionaires increased by $698 billion, bringing their share of total wealth to a record 12.6%.

The Status of "Ends," Resource Scarcity and Applied Economics

Robbins holds that his thesis becomes clear when the actual sphere of application of economic analysis is considered by ignoring the contentions of those who do not know what economic analysis is. He supports his contention, citing two extreme communities regarding their propensity for "material welfare": Sybarites and Savonarola. Sybarites enjoy gross, sensual pleasures, while Savonarola hates this kind of human behaviour. Assume that a Savonarola visits the Sybarite community and succeeds in changing their sensual habits by converting them into puritans. This cultural change does not alter the nature of resource scarcity. It simply changes the allocation of time, which, in turn, changes the nature of demand. The community, which used to spend its time between orgies and slumber, now devotes itself to prayer and good work. "The 'pig-philosophy'to use poor Carlyle's name for Economicsturns out to be all-embracing." This conclusion is quite consistent with Robbins's premise that the economic science has no other purpose than to demonstrate how a particular class of individuals, named producers, can maximise their self-interest.

However, from an epistemological perspective, the intellectually interesting question is this: Does Robbins add any new ideas to the concept of resource scarcity? The answer appears to be "no." In epistemology, an idea is a concrete perception in the mind, expressed through words or symbols. The idea of resource scarcity refers to an economic situation in which the resources available to a person are insufficient to meet their needs or desires. And this is a fact of life, which therefore cannot be interpreted to imply other ideas, particularly in the context of commodity exchange. However, the same idea can be emphasized differently in different contexts. For example, our belief in God can imply different degrees of conviction to different people. However, for a devoted Christian, Jew, or Muslim, it means something very sacred for which they can even sacrifice their life. This, however, is not the case with the idea of resource scarcity.

Robbins has used the concept in a very technical sense, concerned with allocating limited resources to maximise self-interest. In doing so, he has overlooked the fundamental relationship between the economic concept of resource scarcity and the utility of different goods and services on which this limited resource is expended. The demand for a commodity is determined by two factors: natural and social. Natural factors affect commodities whose consumption is essential to human survival. On the other hand, social factors primarily affect a community's culture. For example, pork is in high demand in many countries of the world, but the market is extremely slim in the Muslim-dominated countries. On the other hand, beef has little demand in the Hindu community, while it is a favourite food item in the Muslim community.

In short, the illustration above suggests that Robbins did not add any new points to the role of resource scarcity in economic analysis, nor is his particular way of treating the concept consistent with the real-life decision-making environment. On the contrary, his idea of the "pig-philosophy," an all-embracing approach to economic analysis, contradicts the very political philosophy on which a democratic society is founded. Robbins's thesis, articulated in the scarcity definition, opened the door for 20th-century followers of the Austrian school, including Mises, Hayek, Friedman, and Rothbard, to unleash the so-called adventure of "capitalism." The economic injustice we observe today is primarily due to the economic policy regime that follows directly from Robbins's definition of scarcity.

Conclusion

Scarcity-induced human behaviour is widely regarded as the subject matter of economics, a concept introduced by Robbins in the post-World War I era. In his classic, An Essay on the Nature and Significance of Economic Science, he argues that the conventional definition of economics irrationally narrows its subject matter and the scope of analysis by confining the study to "causes of material welfare." Accordingly, he relaxed this restriction by introducing resource scarcity as the fundamental factor conditioning human behaviour. He accomplished this objective under two propositions. First, economics is not concerned with ends as such; it deals with the ends that real-world economic agents seek to satisfy with their limited means. 'It assumes that human beings have ends in the sense that they have tendencies to conduct which can be defined and understood,' and studies how the scarcity of means conditions their behaviour in achieving this objective. Second, in studying this behaviour, the economists are supposed to treat all ends as 'neutral.'

This paper concludes that by making these assertions, Robbins has rendered his conception of scarcity vague and misleading. First, his idea of 'ends' is highly rhetorical because it does not accurately reflect the term's abstract meaning. Science is founded on the relation (causal) among general ideas, which are derived from simple ideas. These simple ideas, as John Locke (1690) theorised, are received by our mind through sensation and reflection (Kelly, 2010; Laurence & Margolis, 2012). Accordingly, any idea that does not reflect real experience must be considered rhetorical or oratorical and, therefore, cannot be the basis for developing a scientific theory. Second, the proposition that "ends" are "neutral" has created three difficulties. First, this proposition renders Robbins's conception of scarcity self-contradictory. Secondly, consumer demand theory becomes theoretically questionable and empirically inconsistent. Thirdly, scarcity becomes a 'situational phenomenon,' which, therefore, cannot constitute the subject matter of economic analysis.

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