

ECONOMICS AS A BRANCH OF SCIENCE ADDRESS

AT

THE SOCIAL SCIENCE ASSOCIATION OF
THAILAND

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As a contribution to the discussion of this learned Association today, I hope it will not be out of place to attempt to present the various definitions given to Economics, and to deal briefly with some of the difficulties confronting economic scientists and economic science practitioners in our country.

If one asks an economics student of Thammasart University what he learns there, he probably will reply: 2 parts liberal arts, (which includes natural

sciences), one part law and one part miscellaneous subjects such as money and banking. At Chulalongkorn, Economics is taught under the wings of the Faculty of Commerce and Accountancy, and I hear, the younger and more progressive teachers can be found in the Faculty of Political Science. At Kasetsart, Economics seems to be a shy subject hiding behind the apron of Agriculture Cooperatives. In sum, Economics has yet to emerge as a subject for clear cut study and definition in Thailand.

Let us turn to Aristotle and see what he had to say about "*Economica*." As we all know, in Aristotle's time, the function of economic science was generally understood as "*to found a household and also to make use of it*". Although in Book II of his work, Aristotle referred to Royal Economy, Satrapic Economy, Political Economy, and Personal Economy, the more interesting

part of his Book I is devoted to the concept of a wife. If I may digress a little, please allow me to quote certain passages from Aristotle's *Œconomica* :

"First and foremost a house, then a wife....."

(Book 1—2)

"As regards the human part of the household, the first care is concerning a wife; for a common life is above all things natural to the female and to the male" (Book 1—3)

"There are certain laws to be observed towards a wife, including the avoidance of doing her any wrong; for thus a man is less likely himself to be wronged. Now wrong inflicted by a husband is the formation of connexions outside his own house. As regards sexual intercourse, a man ought not to accustom himself not to need it at all nor to be unable to rest when it is lacking, but so as to be content with or without it. The saying of Hesiod is a good one :

'A man should marry a maiden, that habits discreet he may teach her' " (Book 1—4)

Let us leave the Greek and consult the Scot:
Adam Smith.

“Political economy, considered as a branch of the science of a statesman or legislator, proposes two distinct objects: first, to provide a plentiful revenue or subsistence for the people, or more properly to enable them to provide such a revenue, or subsistence for themselves; and secondly to supply the state or commonwealth with a revenue sufficient for the public services. It proposes to enrich both the people and the Sovereign” (Book IV—intro—Wealth of Nations)

It is interesting to note that Adam Smith did not say that economics should propose to enrich such people as courtiers, politicians, ministers or generals or civil servants. On the contrary, Smith went so far as to refer to that *“insidious and crafty animal, vulgarly called a statesman or politician, whose councils are directed by the momentary fluctuations of affairs”*. (Book IV—Ch. II)

What did Karl Marx say about economics ? Mr. Chairman, perhaps you will kindly ask me again after the martial law has been lifted.

According to Alfred Marshall, "*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*" (Principles I.I. 1)

"*The advantage which Economics has over other branches of social science appears to arise from the facts that its special field of work gives rather larger opportunities for exact methods than any other branch. It concerns itself chiefly with those desires, aspirations, and other affections of human nature, the outward manifestations of which appear as incentives to action in such a form that the force or quantity of the incentives can be estimated and measured with some approach*

to accuracy, and which therefore are in some degree amenable to treatment by scientific machinery”.(I. II.1)

Marshall then went on to state that the claims of Economics to be a science, are its power of appeal to definite external tests, and its internal homogeneity (I. II. 7)

Let me return to Marshall at a later stage in this talk. For the moment, please suffer me to interpose here and say that what Marshall called “*incentives*” in the passage quoted above referred to monetary incentives. Little did he think that in the mid twentieth century, some European businessmen or firms should be moved by philanthropic considerations in their activities in such countries as Thailand. I refer specifically to a French firm through an Italian-Thai concern offering to make a survey for a second civil airport of Bangkok, and to a German firm offering to make a

survey for boring tunnel under Menam Chaophya; both cases free of charge, and without commitment whatsoever on the part of His Majesty's Government.

A more recent definition given to Economics, which I believe is still very widely accepted, is the one by professor Lionel Robbins. Economics, according to this definition, is a subject which attempts to allocate scarce resources in order to satisfy unlimited human wants. If this definition is correct, then the duty of an economist or an economic science practitioner is not confined only to money, banking, taxes, budget, trade, business, agriculture, industry. Since human wants are unlimited, the economist will have to embrace and study practically everything from medicine to education, from roads to cities and villages, from housing to town planning and what not. No wonder you find so many busy bodies in the guise of economists in the Prime

Minister's Office, Budget Bureau, Planning Board, most if not all of the ministries, banks, public enterprises, private enterprises etc., even in the Social Science Association. No wonder, too, that so many sins and crimes are being committed nowadays in the name of Economics, economy, and economic development.

The duty of an economist, as of almost every other scientist, is "*to collect facts, to arrange and interpret them, and to draw inferences from them*" (Marshall I. III. 1). This is a tremendous job, especially for a social scientist. A natural scientist deals with natural objects and natural phenomena. In the pursuit of truth. a geologist, for instance, takes up a piece of stone; and stones are not in the habit of telling lies, An economist, e.g., from the Budget Bureau, may examine and interview another official, say a Director-General; he can't handle the latter as a piece of stone;

he owes him some respect, but in his heart of hearts, he cannot be sure whether truth and all the truth and nothing but the truth is being told. One can be misled by many kinds of untruth, some by omission, others by false comparisons, still others by outright lies. Let me illustrate: if someone wants to lead you to believe that a project of road A is good and cheap, he may say that this project is cheaper than Road B, omitting to show that the work involved in Road B included jungle clearing, purchase of land, pioneering of all sores, whereas Road A is already existing and is serving traffic of all kinds and that work involved in project A is not construction but rehabilitation and improvement. Worse still he may omit to tell you that he himself has previously and innocently made a much lower estimate for Project A.

Truth may be distorted by the wrong method of investigation. Recently a banker came to us and complained about some of his staff. We suggested that he should investigate thorough records of his staff before employing them because some of his employees are known to have been dismissed from other banks. Our friend was really outraged. "*I really have made thorough investigation,*" he said, "*I always asked advice from the intelligence corps of the First Army.*"

Natural scientists also have advantages over us inasmuch as nature may be perverse sometimes, but always logical. Man frequently rises above nature and dictates his logic system. Do you need an example ? Problem: Traffic jam in the city of Bangkok. Solution: Bore a tunnel under Chaophya.

Mr. Chairman, the usefulness of an economist lies in the very defect of our materials and system:

man, society, organization. There is no fool-proof system.

In the words of the Governor of the Central Bank of the Netherlands, recently pronounced, "*I shall not live to see the day when a fool-proof system is in force. For one thing, we shall all be technologically unemployed.*"

But we, economists, in the pursuit of truth and in the practice of our science, not only must be learned, efficient, we must also be honest, appear to be honest, and honest enough to urge other people to be honest.