

Relationship of Economics with Other Subjects

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Abstract – Economics is the most popular subject in the present time. It's popularity can be gauged from the fact that it is being taught in all the disciplines. It was already a part of curriculum of Arts and Commerce lately science students are also studying it as a compulsory paper. It has become popular more because of the need than anything else. Economics as it has emerged is a science of choice. It is a choice between scarce means and unlimited resources. This is one problem which every individual faces whether he is a doctor, an engineer, a pilot, an actor or a sportsperson. He has to make a choice which leaves him completely satisfied. So why not study the theory related to science of choice?

Economics as a subject has a profound effect on almost all the subjects in the world. There is a common thread which connects these subjects with economics. Economics is a guiding light and throws light on the most difficult problem which a man faces: choice. If a person knows how to choose then he will always be on the right and will be a boon for the society. Only when we fail to make right choices in the world that we end up in distress, agony, remorse and all the other negative feelings. Economics which is both positive as well as normative that is it tells not only what is but also what ought to be. It not only presents us with how to choose but also what choices should be done.

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ECONOMICS AND POLITICAL SCIENCE:

Political Science studies the government and the governance. It states the different types of government, how the powers are defined in each type of government and how they can be kept under checks and balances. The relationship between economics and political science is as follows:

- 1) Economics defines the different political set-up: As we have seen in the present times that most of the countries have moved away from monarchical form of government to either one-party rule, two-party rule or multi-party rule. Economics as a subject lays emphasis on equal distribution of income and wealth. The more equality is there in the economy there are more chances of prosperity. Keeping this in mind countries are moving towards democracy as it is based on equal representation to all.
- 2) Economics influence the agenda of the government: The agenda which occupies the prominent place in governments around the world are inflation, employment and poverty. No government can think of staying in power unless and until it solves these problems. Many governments have been overthrown because they have not been able to resolve

these problems. One example is of Sahib Singh Verma government of Delhi has been overthrown due to rise in prices of onion.

- 3) Economics guides the government on policy measures: As coined by Pareto, economic welfare takes place when any policy makes someone better off without making anyone else worse-off. This is the guiding principle on which the welfare states of modern era work. Government weighs the pros and cons of any policy measure and implement it only if doesn't makes anyone worse-off. If it does make someone worse-off then they are adequately compensated so that they remain on the same welfare scale.
- iv) Economic transparency is required in modern democratic set-up: Governments around the world have now started declaring their assets while filing up nomination papers. Citizens of the country prefer knowing the complete economic profile of a leader before selecting him. What are the assets he own, what are the sources of his income and how much is paid in income tax. The more transparent a

person's economic profile is the more trustworthy leader he is perceived as.

- v) Stability of the economy is the sign of good governance: The more stable the economic growth, inflation-deflation under check and business cycle less fluctuating the more stable the government of the country will be. People have more faith in the government if the economy is going in the right direction. If the economy loses its direction then people lose faith and the government usually topples.

ECONOMICS AND HISTORY

History provides us with the information about our glorious past. It helps us understand how rich our tradition and culture has been. Economics helps a lot in studying the history of any civilization or any country. The relationship can be studied as under:

- i) There is always an economic reason behind any revolution: Be it industrial revolution or French revolution or Glorious revolution or renaissance or reformation there is an economic reason behind all of them. Economics is the reason behind the greatest upheavals happening around the world. So it is important to keep economy under check to avoid any mis-happenings.
- ii) Looking at the economy gives an idea of the civilization: We can say Indus Valley was a great civilization because the economy was great at that point. The kind of buildings and tools used shows advancement on the part of the society. The ancient structures, coins, system of exchange all shows how advanced that civilization was. This throws a picture on the overall well-being of the people.
- iii) Economics helps to explore the history better: Economics helps to understand how the history of any country shapes. We borrow from our history. We borrow the riches as well as rags so it is very important what has led to such a situation so that such events can be avoided in the future.
- iv) Economics adds dimension to the study of history: Economics helps to add the extra dimension to the history. It gives a whole new meaning to the study of history. It is not only about ruins and remains and excavations but also the story behind it.

ECONOMICS AND SOCIOLOGY

Sociology is the study of society and social organisation. It looks into how the people interact in

these societies and how they flourish. It studies from individual point of view as well as the society point of view. Economics do influence the study of sociology. How it influences has been dealt in the below points.

- i) Economics define the changing strata of the society: Society keeps on changing and there is economics behind it. Earlier times there is used to be one earning member and the rest of the family dependent on him so there was joint family system. Later on the trend was of every member to be self-dependent which resulted in nuclear family. Now there is a trend of both the couple earning which has resulted in emergence of strong independent women oriented families.
- ii) Economics has led to decline in social evils: There were many evil practices in the name of society prevailing in the past like child marriage, caste system, sati and issues related to widow remarriage. But with the spread of education and people being more financially secure in every section of the society people began to question these rituals. Though it still prevails in certain sections of the society but there is awareness regarding this.
- iii) Economics is changing the way people interact socially: In earlier times people used to hang out in the parks or chit- chat in the neighbourhood. With the advancement in economy and mobile revolution that is going on. Children playing in parks have been replaced with playing video games, people meeting and socialising has been replaced with chatting online, love-birds hooking up on dating sites is a regular feature.
- iv) Economics has led to more open societies: With less education and less money the societies used to be more conservative. There was hardly any freedom of expression. Whatever the elders used to say was the dictate of the family. But with economics emphasising on the freedom choice the youngsters seem to play a prominent role. They are expressing themselves like never before. Many of the old conservative thoughts have been replaced with new fresh thinking.
- v) Economics will define the way society shapes up in the time to come: The society is fast changing and economics is the reason behind it. We have no idea in which direction it will go in the coming time. No doubt economics will have a role to play in that but what is important that people don't forget the tradition in moving towards the

modern. The rich culture that we have will help in making the society remain balanced. So sociology will have to provide the inputs from its past in order to ensure that the future of the society is on the right track.

ECONOMICS AND STATISTICS

Statistics deals with numbers. It seeks to gather, review, analyse and draw conclusion from the data. In the present scenario data has come to occupy a very important position. There are data in every field. Economics is not to be left behind. Economics has actually accentuated the use of data. The influence that economics has on statistics is as follows:

- i) Economics has added dimension to the statistics: Economics has brought whole new meaning to statistics. The way statistics can use up numbers in order to portray anything is being used by the politicians, businessmen, sportspersons, film industry. It has become a number game. Economics is all about numbers. Whether GDP, poverty, unemployment, inequality, sanitation, cost-benefit analysis it all starts with numbers and end with numbers. This life that statistics has got is because of economics.
- ii) Economics has given an interesting twist to statistics: Numbers can be very boring. But if these numbers tell a story then it can become very interesting. This is what economics has done. It tells the story behind the numbers. This has given whole new dimensions to the boring statistics. People are exploring new things in that which is really interesting.
- iii) Economics explains statistics like never before: For a layman it is very difficult to understand numbers. Economics helps in explaining these numbers. It simplifies the numbers so that every individual can understand it from different point of view.
- iv) Statistics needs economics to grow: Statistics was never in so much need as in today's society. People want to check in numbers before taking in new job or buying a car or house or making any important decision in their life. It is economics which can help the statistics to guide the people in the right direction. It needs economics to satisfy the people in all the directions.

ECONOMICS AND PSYCHOLOGY

Psychology is the science which studies human mind and behaviour. It looks into the conscious as well as the unconscious mind and how it analyses and takes decision. Economics also studies human behaviour and when it comes to taking decision involving

choices it has to be done by analysing the mind. The way economics influence psychology in present scenario is as follows:

- i) Economics has led to many new experiments in the field of psychology: Psychology occupies a very important position in today's society. Economics has a way of influencing the psychological experiments. It helps to find out the economic influence of a person whose psychology is being studied. Different economic profile tends to have different psychological implications.
- ii) Economics tends to borrow many of its theories from Psychology: Many theories like Law of Diminishing Marginal Utility, Game Theory are all based on the psychology of the person. Economics keep turning to psychology to seek answers related to economic problems. More often than not psychology comes up with the answers.
- iii) Economics is shaping the psychology of the present generation: The present generation being aware of the concepts of the economics, how they can reach higher satisfaction level and how they can multiply their gains is shaping a more practical thinking amongst them. They are no more guided by theory of being satisfied with whatever they have like the older generation. They want more and are making all effort to have it. Their thinking is more is less.
- iv) Economics has made psychology popular among the people: Many of the motivational speakers encourage the people to read about the psychology of rich and successful people. This helps them to find what thought process helped them in reaching where they are. This is how the psychology of getting rich is shaping the world today.

ECONOMICS AND PHILOSOPHY

The word philosophy has been derived from the Greek word 'philosophia' meaning 'love of wisdom'. It is the study of general and fundamental questions about existence, knowledge, values, reason, mind, and language. Philosophy has always been the guiding light to all the subjects. It has shown way to economics as well and in turn has been influenced by it. Never have been two subjects so profoundly influenced by each other.

- i) Philosophy has given new dimension to economics: Economics started off as a science of wealth. We associate wealth with all the vices so there has to ethical

way of acquiring and using wealth. This is where philosophy has been incorporated in the normative part of economics. It tells individuals and society what choices should be made and what restraints need to be made.

- ii) Economics has added dynamism to philosophy: Philosophy makes use of economic tools in order to make its concepts of co-operation and co-ordination more clear. With the help of Game Theory it has laid down the concept of co-operation. Economics has gone a long way in making philosophy grow.
- iii) Economics has made philosophy interesting: When money and ethics come together then it is nothing short of fireworks. It makes everyone sit up and notice the debate how these go hand-in-hand. It ensures that people understand and enjoy the concept as usually philosophy is considered to be boring by the layman.
- iv) Economics has made philosophy diverse: Economics has been able to make philosophy diverse. It was confined to the narrow realms of life and chastity and purity. It has been diversified to the field of economy, nation, trade etc. This has given a new realm of life to philosophy. The idea is enlarging day by day and should be diversified in times to come.

Economics has an interesting relation with almost all the subjects. The more the exploration happening the more diverse views we are going to see in the coming times. Economics will be the biggest influence on all the subjects.

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