

Relativity of Alfred Marshall's Psychological Research and Economics

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This paper investigates the relationship between Alfred Marshall's psychological research of "human character" and his economic theory of "human nature." In 1868, Marshall made a presentation at the Grote Club meeting on the article 'Ye Machine' in which he attempted to explore the possibility of human ability. He demonstrated how the internal mechanism of Machine was changed by stimulus from the external world. There are two types of Machines: the simple one is the Brain–Body model and the complicated one is the Cerebrum–Cerebellum–Body model. On the basis of this theoretical foundation, I introduce the method of static and dynamic analysis that Marshall consistently maintained in his economic theory. I have focused on the concepts

of the "Law of Diminishing Utility," "Standard of Life" and "Economic Chivalry," which are the core notions of Marshall's economic theory. These three concepts have different roots: the "Law of Diminishing Utility" is related to the simple type of Machine, while "Standard of Life" and "Economic Chivalry" are related to the complicated type of Machine and the principles of sympathy, respectively, in Marshall's psychological research. Finally, I conclude that Marshall's psychological theory and his economics ensure consistency with the study of human nature.

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