

3.9. ALFRED MARSHALL (1842-1924)



It would be difficult to imagine economics without the contribution of A. Marshall. To Marshall, economics made its own **exquisitely** organized universe, in which demand and supply work together in **precise** mathematical harmony. **Marginal analysis** is the key to the universe. With it, Marshall brilliantly explained the nature of demand and supply and showed how, like the blades of a scissors, each requires interaction with the other to achieve an **equilibrium** solution.

Alfred Marshall was born on July 26, 1842. His father, a cashier at the Bank of England, was a **stubborn** man, determined that his son would become a pastor. He **imposed** a rigorous but narrow **agenda** of study on the boy, making sure he was trained in biblical languages and in classics but denying him **access** to mathematics and the scientific subjects he loved.

When Alfred was offered a scholarship to Oxford University, his father was delighted; Oxford was known for turning out Anglican **ministers**. Much to his father's **dismay**, however, the young man had made other plans. With the help of another scholarship and a loan from an uncle, he enrolled at Cambridge University to study physics. By 1867 Marshall was not only **excelling** as a student of mathematics, he was also teaching the subjects to fellow students. It became clear that teaching was his **forte**.

At Cambridge, Marshall was considered a bit eccentric in his **passion** for the outdoors. He often left the university for days, **toting** a book-filled **knapsack** and hiking into the country-side and through the streets of **distant** towns. On these "vacations," as he called them, he began carrying fewer books about mathematics and more about philosophy. He became deeply interested in the great **issues of life**, such as the nature of ethical systems and the problem of poverty. Soon he knew what he wanted to do with his life: to work forward **elimination** of poverty. He wrote, "I visited the poorest quarters of several cities and walked through one street after another, looking at the faces of the poorest people. Next, I **resolved** to **make as thorough a study** as I could of Political Economy."

Thus, this **compassionate** young man turned his attention to economics, the subject he believed powerful enough to explain and eliminate poverty. Marshall's first book on the subject, **The Economics of Industry**, was published in 1879. He was assisted in its writing by his new bride, and former student, Mary Paley Marshall. In 1885, the year he was offered a teaching post at Cambridge, Marshall

began the book with which he would **make his mark**. His **Principles of Economics** was published in 1890 and won **instant acclaim**.

Well before its eighth and final edition was published in 1924, it had become the standard book of reference for economics students the world over. **Principle of Economics** was not a success because it presented a revolutionary set of **prescriptions** for the world's economic ills. On the contrary, the book explained very simply and carefully the basic principles of the subject. His ability to **elucidate** economic concepts and to **convey their relevance** and power was what made Marshall's text so great.

In **Principles of Economics**, Marshall systematized a **host** of new concepts and left them permanently **ingrained** in the main body of economic thought – concepts such as marginal analysis, **elasticity**, the price – determining interaction of demand and supply, the notion of equilibrium, and the difference between long – and short – run equilibrium.

The book's success and his skill at teaching made Marshall's economics classes the most popular on campus. To his students he was the **quintessential professor**, with his white, **wispy** hair always somewhat **disheveled**, his **fluffy** white moustache and his gentle but **flustered** manner.

While Alfred Marshall enjoyed the success **Principles** brought him, he was also somewhat disappointed. The **tedious** process of revising the text for new editions commanded a great deal of his time. He had provided an excellent means for others to understand economic problems, but his impact on the elimination of poverty seemed **slight**. The condition of the poor – and their number – changed little during his lifetime.

In the twilight of his career, the great economist wrote sadly, "If I had to live over again I should have devoted it to psychology. Economics has too little to do with ideals."

Task

1. What contribution into economics did A. Marshall make?
2. Describe his early years of life
3. What was his forte?
4. Why was Marshall considered to be eccentric?
5. What was he deeply interested in?
6. What did A. Marshall want to devote his life to?
7. What subject did he turn attention to eliminate poverty?
8. What work became the book of reference for economics students the world over?
9. What made his book so great?
10. What did his **Principle of Economics** systematize?
11. What was A. Marshall for his students?