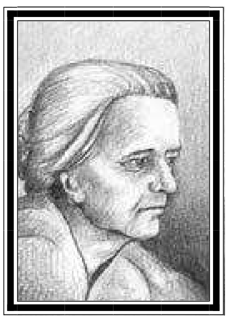
income had changed in the country and to make discoveries about the **fluctuations** in national economic performance. When Kuznets was awarded the Nobel Prize in 1971, his work in business cycle theory and economic growth was the committee's primary **consideration**. Kuznets taught at the University of Pennsylvania for nearly 24 years before accepting a post at John Hopkins, where he taught until his retirement in 1971. Remembered as a quiet, thoughtful man, Kuznets nevertheless made an impression on all who met him. He died July 9, 1985.

Although today the technical structure of the GNP is somewhat different from Kuznets original conception, he remains recognized as the "Father of the GNP."

Task

1. What is the meaning of the GNP for a country's economy?
2. Describe the early years of Simon Kuznets.
3. How did S. Kuznets join NBER?
4. When was the first preliminary estimates of the national income made?
5. Why is the task of estimating the GNP impossible without statisticians?
6. As you know, Kuznets has established a three-part framework for his estimation. What is the first step?
7. What are the second and the third steps?
8. Kuznets didn't work only with the GNP, did he?
9. Describe the last years of his life.
10. Explain the meaning of the emphasized words.
11. Discuss the text together with your groupmates.

3.12. JOAN ROBINSON (1903-1983)



The perfectly competitive market is an economist's ideal. The efficient allocation of an economy's resources comes naturally in this market, where price and the profit motive work together to guide the decisions of experienced entrepreneurs. But real-world **deviations** from this theoretical, well-organized system abound. Economics textbooks today list several examples of markets that fail to achieve the standards of "perfect competition," like markets characterized by monopoly power.

Joan Robinson, a twentieth-century British economist, is one of the theorists **credited** with the development of a model **to accommodate** markets that fall short of the perfectly competitive ideal. Today her work on the economics of "imperfect competition" is standard in textbooks.

Born in 1903 to Sir Frederick Maurice and Helen Margaret Maurice, Robinson learned from an early age that one must stick to one's ideals, even if doing so brings **condemnation** from **peers**. Her father, a major general in the British Army, was stripped of his rank when he passionately objected to Britain's policies during the First World War. Joan's grandfather, F.D. Maurice, was also **no stranger to controversy**; his **outspoken** defense of Christian Socialism did not **endear** him to other members of his social (and economic) class.

In 1922, while a student in Girton College at Cambridge, Robinson enrolled in her first economics class. She found the subject fascinating and concentrated on economics during her last 3 years at Cambridge. In one of her classes, she met Austin Robinson, a well-respected economist and lecturer at Cambridge. One year after her graduation from the university, the two were married. After that, the Robinsons went to India, where they lived for several years. Joan Robinson grew to love the country and remained interested in Indian affairs for the rest of her life. In 1929, she and her husband returned to Cambridge, where he **resumed** his teaching responsibilities. Robinson continued to study economics, assisting her husband in his **endeavors** and working independently. By 1931, her brilliance as an economist earned her an assistant lectureship at Cambridge. It wasn't long before she began to command the attention of her peers.

Robinson's **debut** into the economic **limelight** occurred in 1933 with the publication of **Economics of Imperfect Competition**. It came as no surprise to those who knew that her first major publication would boldly challenge **entrenched** opinions.

Robinson's contemporaries accepted two **tidy** explanations for market mechanics. **Foremost** was the perfectly competitive model, which portrayed the economy as a well – oiled machine that, through the price mechanism, evenly allocated scarce resources.

This other model was an industry characterized by a monopoly firm with high prices and restricted output. Thus, mainstream economics in Robinson's day described markets in black and white terms, as either competitive or restrained by monopoly's iron **grip**. Robinson dismissed this view as being too simplistic. The real world, she argued, couldn't be **confined** within the frames economists tried to place on it. She believed that most markets are characterized by elements of both monopoly and perfectly competitive behavior. In part this is the result of product differentiation. In the real world, each firm benefits by distinguishing its products from similar products produced by other firms. Two firms may produce soap, but each firm is a "partial" monopoly in the market for its own particular type of soap. Regardless of the number of competing firms in the industry each will insist that its own product is unique. Absolute perfection of competition, Robinson argued, was "an impossibility".

As far as she was concerned, the whole perfectly competitive model, held so sacred by economists, could be tossed out the window.

The perfectly competitive model wasn't the only economic idol Robinson **blasphemed**. Even more shocking were her warnings about what she **perceived** as the social injustices of capitalism. She wrote extensively about other market systems, especially socialist markets. She also made significant contributions to the economics of international trade and finance and to the role of capital accumulation in economic development.

Joan Robinson was not a popular person. Indeed, many considered her **abrasive** and bullheaded. Her economic theories, especially those having to do with international issues aroused a great deal of controversy.

In 1965, Robinson was offered a full professorship at Cambridge. She became chair of the economics department upon her husband's retirement from the post. With her colleagues at the university she continued to enjoy intellectual **rapport** and friendship.

On August 5, 1983, Joan Robinson died after a long illness. She had spent the last several months of her life in a coma. She was survived by her husband, their two daughters, and five grandchildren. Those closest to her remembered her as a warm, caring woman. Those on the outside remembered her for her **fiery** independence.

Task

1. Why is the perfectly competitive market an economists' ideal?
2. What theory did J. Robinson deal with?
3. What did she learn from the early age?
4. How did her family influence her outlook?
5. When and why did J. Robinson concentrate on economics?
6. Describe the period of her life in India.
7. When did Robinson's debut into the economics occur?
8. What two explanations for market mechanics existed at that time?
9. How did J. Robinson regard the real world?
10. How did she regard the absolute perfection of competition?
11. What is Robinson's contribution to the economics?
12. Describe the last years of her life.
13. Explain the meaning of the emphasized words.
14. Discuss the text together with your groupmates.