English economist and pioneer of neo-classical economics. He was the dominant figure in British economics from the 1890s right up to the 1930s, and his *Principles of Economics* (1890) still has the power to fascinate and excite the reader. On the other hand, his moral zeal and Victorian piety have repelled some commentators. He was an excellent mathematician, but he hid his mathematics away in appendices because he hoped to be read by business executives.

Marshall made many original contributions to static equilibrium theory and yet hankered all his life for a dynamic theory that he was unable to produce, even going so far as to proclaim that biology and not mechanics is ‘the Mecca of the economist’. His one grand theme was that price is always determined by demand and supply (cut by both ‘blades of the scissors’), and yet he struggled against all the evidence to argue that this had of course been well understood by the great classical economists before him. He was a firm believer in private property and the merits of a market economy and yet he discovered some of the best arguments ever penned against the doctrine that free markets maximize economic welfare, and always retained a sneaking sympathy for trade unions and even socialism. He never expressed an opinion, whether on pure theory or on questions of practical policy, without an almost endless list of qualifications. In short, he was a very complex, contradictory economist.

He was born in London and went to St John's College, Cambridge, to study mathematics, graduating in 1865 as 'second wrangler in the tripos', a super mathematics degree. He was immediately elected to a fellowship in mathematics at St John's but was forced to resign the post in 1877 when he married Mary Paley, a former student of his. He then spent five years as principal and professor of political economy at University College, Bristol, a year as fellow of Balliol College, Oxford, returning to Cambridge in 1885 as professor of political economy. He remained at Cambridge until his retirement in 1908 when he was succeeded by his star pupil, English economist Arthur Pigou.

Among many of Marshall's original contributions to economics, all of which he disguised as part of the wisdom of the past, we may single out partial equilibrium analysis, the distinction between the market period, the short period, and the long period, the improved discussion of demand curves, the idea of the price-elasticity of demand, the concept of consumer and producer surplus, the analysis of the conditions for stability of equilibrium, the distinction between increasing and decreasing costs, the distinction between internal and external economies of scale, and the explicit recognition of the incompatibility of competition and long-run falling supply curves.

Much of the work of English economist William Jevons, Austrian economist Karl Menger, and French economist Léon Walras is based on the assumption that there is a fixed supply of resources in the economy, the only problem being how to allocate them among alternative uses. Marshall, however, never lost sight of the fact that resources also grow through time and therefore the growth of population and the accumulation of capital, not to mention technical progress, are genuine economic problems. Similarly, he found space for a discussion of 'the peculiarities of labour', those dynamic forces acting on the supply of labour that lead to cumulative disadvantages in labour's bargaining position in labour markets, thus adding what is perhaps the most penetrating contribution to labour economics since Scottish economist Adam Smith's *The Wealth of Nations* (1776). It is true that he said...
almost nothing about monetary theory (at least in the *Principles*) or about business cycles and macroeconomics and was therefore responsible for the pre-Keynesian view that these questions really belonged to the periphery of economics. The way that he interlarded his static analysis with bits and pieces of dynamics and even historical processes sowed confusions that took the best efforts of a generation of economists to solve.

His publications include *Industry and Trade* (1919) and *Money, Credit and Commerce* (1923).

**weblinks**

Marshall, Alfred

**APA**

**Chicago**

**Harvard**

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