

Three Women in the History of Economic Thought

In a [letter](#) to his rival Robert Hooke, Sir Isaac Newton wrote his memorable remark: “If I have seen further, it is by standing on the shoulders of Giants.” Shedding light on the accumulative nature of scientific progress, Newton knew his ability to formulate the laws of motion and universal gravitation depended on the discoveries made by those who preceded him.

In the field of economics, these giants are easily identifiable. Everyone is familiar with economists such as Adam Smith, John Maynard Keynes, or Milton Friedman, all of whom made key contributions to the advancement of economic science. Few, however, would be able to name a handful of women in the history of economic thought. Here are [three female economists](#) that you may not have heard of.

1. Jane Marcet (1769 – 1858)

The great 19th century economist Jean-Baptiste Say dubbed Jane Marcet, “the only woman who had written on political economy and shown herself superior even to men. Born in London, Marcet received an excellent education and developed interests in such diverse fields as economics, chemistry, and natural philosophy.

In 1816, she published her work *Conversations on Political Economy*. Praised by contemporary economists David Ricardo and Thomas R. Malthus, the book soon became a bestseller, with fourteen editions and translations to French and German.

In the book, Marcet employs a fictitious dialogue between Mrs. Bryan and her pupil Caroline to teach the principles of political economy. Marcet discusses the essential ingredients

for a society to survive economically, including the importance of private property, the proper division of labor, and a focus on foreign trade. The influence of Adam Smith, Ricardo, and Malthus permeates her book. For instance, Marcet introduces the law of diminishing returns to explain the outputs of land, a concept that has traditionally been attributed to Ricardo, who wrote his most important works between 1815 and 1817.

2. Joan Violet Robinson (1903-1983)

In 1975, Joan Robinson's name was on everyone's list to receive the Nobel Prize in Economics. *Business Week* even [published](#) an article naming Robinson one of the favorites for that year. She would never win it. For many, however, Robinson should have been the first female Nobel laureate in economics.

Born in Surrey (England), Robinson belonged to the Cambridge Circus, a group of Cambridge economists that met regularly to discuss, among other things, the work of John Maynard Keynes.

In 1933, she published one of her most acclaimed works, *The Economics of Imperfect Competition*, in which she develops a model of competition between firms and introduces, for the first time in the history of economic thought, the concept of monopsony: a market where there is only one buyer and many sellers. In 1954, she initiated what would be later known as the Cambridge Controversy by questioning the idea that capital can be aggregated as neoclassical economists had assumed.

Her favorable opinions on [North Korea's](#) and [China's](#) communist regimes in the 60s and 70s seem to have affected her reputation as an economist and may have prevented her from receiving the Nobel Prize. Yet this shouldn't overshadow her important contributions in the field of economics.

3. Elinor Ostrom (1933-2012)

Elinor Ostrom was the first woman to win the Nobel Prize in Economics. Interestingly, Ostrom, a native of Los Angeles, was not an economist by training, but a political scientist. She dedicated her entire life to the study of the governance of commonly-owned natural resources (also known as common goods.)

In 1968, the biologist Garret Hardin introduced in a *Science* article the concept of the Tragedy of the Commons, which describes the depletion of shared resources in a community due to co-owners following their strict self-interest. Here is an example of what Hardin referred to. A meadow is co-owned by thirty livestock farmers, each of which has the right to make use of it to feed their cows. This creates a perverse incentive for farmers, who will tend to overuse the land despite the negative ecological and economic impact this may have in the long term. Traditionally, there were two solutions to overcome this problem: privatize the resource in question or allow the government to establish rules regarding its use.

Ostrom carried out a comprehensive study of hundreds of communities administering common resources such as rivers, meadows, or forests. She concluded that these communities tend to establish their own rules and restrictions regarding the use of these resources in order to prevent Hardin's Tragedy of the Commons, developing an efficient and sensible governance of their natural resources without the need for external intervention.

Jane Marcet, Joan Robinson, and Elinor Ostrom didn't just make important contributions that advance economic science. They also paved the way for thousands of women who, at some point in their lives, decided to pursue a career in a field where women continue to be underrepresented.

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