

Helen Makower (1910-1998)*Matthias Klaes*

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Helen Makower, mathematical economist and trade specialist, born 1 June 1910 in London, died 17 May 1998 (Marlborough, Wiltshire). Daughter of the avant-garde writer and music critic Stanley V. Makower. Educated at Bedales School and Newnham College Cambridge, M.A. (Oxon, inc.) 1938, Ph.D. in Economics (London School of Economics and Political Science) 1937.

After completing a Ph.D. thesis on 'The Theory of Value on the Capital Market' which positioned her among the handful of early 20th century mathematically trained and oriented neoclassical economists she joined the newly established Oxford Institute of Statistics under Jacob Marschak. During World War II, she formed part of the group of economists at Winston Churchill's Statistical Branch, and worked for the British Control Commission in Germany immediately after the war. After a brief spell as tutor at Somerville College Oxford from 1946 to 1947, she moved on to the United Nations Economic Commission for Europe under Gunnar Myrdal in Geneva for two years.

In 1949 she returned to academia as a economics lecturer at the London School of Economics and Political Science (LSE), gaining promotion in 1950 to Reader in Economics with special reference to International Trade, at a time when the position of Reader was regarded as the senior research rank at British Universities. She held this post until her formal retirement from academia in 1977.

As member of the Oxford Institute, she was at the forefront of efforts in British economics of the 1930s to join theoretical reasoning with formal statistical analysis. Her study with Marschak and H. W. Robinson (1938, 1939, 1940) on labour mobility constituted a pioneering contribution to regional economics. Joint work with Marschak (1938) maps out a research agenda for a portfolio

choice approach to monetary theory which the discipline did not live up to until the advent of the general equilibrium models with transaction costs of the 1970s. War related research (Makower and Robinson 1939) was followed by an early analysis of consumer choice under a dual-currency regime (Makower 1945-46).

Due to her contacts to Marschak after he had moved to the US in 1939 to eventually take up a professorship at the University of Chicago together with the research directorship of the Cowles Commission in 1943, Makower acted as an important conduit to British economics for the range of new mathematical techniques for economic analysis that were developed at the Commission, including Koopman's activity analysis, stressing in particular the formal analogies between neoclassical consumer and production theory.

In 1957 she published an influential textbook that summarised these advances and made linear programming accessible to a non-technical audience, and constitutes an early attempt at formulating a goods-characteristics approach to consumer theory, which was independently brought to fruition and disciplinary recognition by Kelvin J. Lancaster. Her work with G. Morton on the welfare effects of customs unions gained some influence in the Vinerian tradition of international trade theory, leading up to the Kemp-Wan theorem.

Helen Makower made significant contributions to modern economics, both independently and through her collaborative research. But to see her life through the lens of her academic achievements alone would miss her moral activism and religious devotion in later years, as a personality of considerable influence and stature among those who she taught at University and whom she would regularly convene at home for further discussion and debate.¹ Decorated by the King of Greece in 1967 for her efforts to help remote rural villages restore water supplies that had been destroyed in World War II, she regarded her development work in Greece at least as important as her scholarly work and after retirement spent several years in East Asia engaged as a Christian missionary.

Selected Works

Elasticity of Demand and Stabilisation, *Review of Economic Studies*, vol. 6 (1938), pp. 25-32.

Assets, Prices and Monetary Theory, *Economica*, vol. 5 n. s. (1938), pp. 261-88; with J. Marschak.

¹ Personal communication to the author by the late Mark Blaug.

Labour Potential in War-time, *Economic Journal*, vol. 49 (1939), pp. 656-662; with H. W. Robinson.

Studies in Mobility of Labour, *Oxford Economic Papers*, vol. 1 (1938), pp. 83-123, vol. 2 (1939), pp. 70-97, vol. 4 (1940), pp. 39-62; with J. Marschak and H. W. Robinson.

Rationing and Value Theory, *Review of Economic Studies*, vol. 13 (1945-46), pp. 75-80.

The Analogy Between Producer and Consumer Equilibrium Analysis, *Economica*, vol. 17 n.s. (1950), pp. 63-80; with W. J. Baumol.

A Contribution Towards a Theory of Customs Unions, *Economic Journal*, vol. 63 (1953), pp. 33-49; with G. Morton.

Activity Analysis and the Theory of Economic Equilibrium (London : Macmillan 1957).

Further Reading

Kemp, M.C. and H.Y. Wan, Jr. (1976) 'An Elementary Proposition Concerning the Formation of Customs Union', *Journal of International Economics*, vol. 6, pp. 95-97.

Klaes, M. (2000) 'The History of the Concept of Transaction Costs: Neglected Aspects', *Journal of the History of Economic Thought*, vol. 22, pp. 191-216.

Lancaster, K.J. (1971) *Consumer Demand. A New Approach*, New York: Columbia University Press.

Lancaster, K.J. (1987) 'Makower, Helen' In J. Eatwell, M. Milgate, and P. Newman: *The New Palgrave*, vol. 3, London: Macmillan, p. 280.