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GUIDELINES FOR PRE-COLLEGE ECONOMICS EDUCATION: A CRITIQUE

Marianne A. Ferber

This essay is a comment on John T. Siegfried and Bonnie T. Meszaros, "Voluntary Economics Content Standards for Pre-College Economics Education", which appeared in the Journal of Economic Education, *Spring, 1998.*

ABSTRACT

While economists of all persuasions undoubtedly agree that universal economic literacy would be desirable, there appears to be substantial disagreement over what economic literacy is, what problems most need to be addressed, and how they can best be solved. These differences are clearly reflected in their diverse views as to what the goals should be for teaching economics in secondary schools. This paper specifically examines the recommendations offered in a paper on economic content standards by leaders of the economic education movement in the U.S. and finds them seriously wanting.

KEYWORDS

Economic literacy, concepts, facts, consensus, assumptions, relevance

INTRODUCTION

One of the few issues economists of all persuasions appear to agree on is that economic literacy of the population would be highly desirable. They would also be expected to agree that such literacy is only useful if it enables students to better understand how the economy operates and what policies would be most useful in solving economic problems. On the other hand, even economists of the same school disagree substantially over what genuine economic literacy is and what the main economic problems are, let alone what policies would be most likely to solve them. Thus it is not surprising that mainstream economists' goals for teaching economics in secondary schools are far different from those that many feminist economists would envision.

Although the specific goals discussed in this paper are the ones proposed for use in U.S. high schools by a coalition of influential U.S. organizations concerned with economics education, the issues raised by their

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recommendations should be relevant to economic educators everywhere. U.S. economists and the American Economic Association are influential well beyond the borders of their own country, and establishment economists in many or most other countries are likely to have similar views about appropriate ways to teach introductory courses.

In this essay I specifically comment on John Siegfried and Bonnie Meszaros's (1998) paper, "Voluntary Economics Content Standards for Pre-College Economics Education," originally presented at the 1997 ASSA meetings for a session on "What Should High-School Graduates Know in Economics?" that set forth the goals for pre-college economics courses developed by representatives of the National Council on Economic Education, the National Association of Economic Educators, the Foundation for Teaching Economics, and the American Economic Association's Committee on Economic Education. Careful consideration of the goals promoted by this prestigious coalition, and the twenty standards Siegfried and Meszaros propose, suggests that they would be more appropriate for an Orwellian world, populated not by thinking individuals, but by programmed automatons, efficient perhaps, but certainly not fully human.

Since then, the *Journal of Economic Education* (Spring 1998) has published a symposium which includes slightly modified versions of the same three papers presented in the ASSA session, Siegfried and Meszaros (1997), Stephen Buckles and Michael Watts (1998), and John Bishop (1998), plus comments by Lee Hansen, Cecilia Conrad and William Becker, each responding to one of the papers. Hansen's failure to provide a thorough critical analysis[1] of Siegfried and Meszaros is very disconcerting for those of us who believe that one of the main goals of education is not only to prepare young people to make a living, but also to function as thoughtful citizens in a democracy and to become concerned members of a humane society. Feminist economists (both men and women) believe that in order to achieve these goals, students need to be informed about the world they live in, and to be equipped to think for themselves as they face the complex challenges of life.

TEACHING CONCEPTS, NOT FACTS

Siegfried and Meszaros begin by saying "Each content standard is an essential principle of economics that an economically literate student should understand and a statement of what the student should be able to do with that knowledge" (p. 248). So far, so good. Let us go on, however, to examine the standards intended to ensure that these goals are achieved. We are told, first of all, that these "standards are primarily conceptual. They do not include important basic facts about the American and world economies" (p. 248), except to the extent that students happen to learn something about them along the way. We are further told that this is the right approach, because facts constantly change, while "Conceptual standards highlight the unique contribution of economics and are enduring" (p. 248). Consider the implications of these claims.

It is certainly true that facts change, but are we not to be concerned about how existing facts came about, to what extent they might be considered desirable or undesirable, given particular value judgments, and how such changes might best be facilitated or inhibited? If we are not interested in the first of these questions, economic historians might as well close up shop; if we are not interested in the other questions, the Council of Economic Advisors and other economists involved in policy-making should all be fired. It seems safe to assume that even the most severe critics of current incumbents would favor replacing them with experts of their own choice rather than doing without economists in government altogether.

An even more basic question we need to confront is how meaningful concepts are apart from the context in which they operate. Take, for instance, the notion of the invisible hand, so pervasive in neoclassical theory. Most economists would agree that this concept is entirely irrelevant in an economy where monopoly power is rampant among sellers and/or monopsony power among buyers. But what about an economy at the other extreme of the spectrum, where there is something approximating perfect competition? There can, nonetheless, be considerable maldistribution in such an economy unless we assume that perfect competition is achieved to the extent that there can be no discrimination, and that the invisible hand works to the extent that there can be no conflict. However, even if these assumptions were satisfied, and there actually were distribution according to contribution, even that situation would not necessarily be acceptable unless the distribution of resources were such that everyone had a reasonably equal opportunity to contribute. Therefore, we need to know the extent to which the market is competitive, and what the distribution of resources is if we are to make informed decisions concerning government policies that would interfere with the market. Such questions can not even be addressed unless we consider the relevant facts, however transient they may be.

TEACHING A SINGLE COHERENT VIEW

If ignoring facts is an impediment to thinking about reality, teaching only the consensus view, which produces "a single coherent set of standards" (p. 249), is an impediment to students' thinking for themselves at all. The authors argue that including "minority views of economic processes risks undermining the entire venture . . . with too many qualifications and alternatives, teachers and their students may abandon economics entirely out of frustration born of confusion and uncertainty" (p. 249). Regrettably, this may be true in some, perhaps even in many, cases. These are, on the other hand, bright, inquisitive individuals among students who will discern that the consensus view they are offered may not be the ultimate truth. They will feel cheated when they are not encouraged to question established doctrine and are deprived of the opportunity to learn about alternative views.[2] Merely presenting the consensus comes perilously close to brainwashing, rather than teaching.

Furthermore, it is difficult, if not impossible, to teach economics effectively while pretending that there is consensus in the discipline about either theory or policy. There are lively debates between orthodox and heterodox economists, for example about the role of race, gender, and class, about the importance of equity as well as efficiency, about the large role non-market work plays in satisfying people's needs and wants (and the extent to which this differs among various economies), about the need for sustainable development rather than merely growth, and even about the very definition of economics.[3] Ignoring these issues deprives students of learning about the most thought-provoking discussions in the profession.

The authors do acknowledge that "in areas of controversy, for example, macroeconomics, the committee struggled to find a consensus paradigm" (p. 249), but nonetheless attempted to do so rather than to admit that we have not found all the answers and need to continue searching and questioning. This is a profoundly anti-democratic procedure, for by presenting only the majority view the authors deprive others of the opportunity to be heard and thus greatly reduce their chance to become the majority. Moreover, two additional serious objections also deserve attention. For one, much more damage is likely to be done when people erroneously believe that they have all the answers than when they are aware of their ignorance. Second, even a casual knowledge of the history of science clearly shows that progress tends to come about as minority views, usually initially considered to be ill-founded, radical, and at times even heretical (viz. Galileo's), gradually replace the old orthodoxy.

Another dilemma, closely related to the ones mentioned above, is the need to "[balance] the trade-off between accuracy and parsimony" (p. 249). As the authors themselves point out, almost all economic principles are conditioned on assumptions. Even so, they once more come down on the side of false simplicity and suggest that assumptions should frequently be omitted when teaching pre-college economics, because they would "detract from the effectiveness of the standards" (p. 249). Proponents of this view are apparently not troubled by the fact that such an approach will make many students skeptical about instructors who seem unaware of the dissonance between their teaching and the real world and may also lead a few particularly impressionable students to believe that the real world in fact resembles the nice, neat models presented in the classroom, and to draw conclusions that are, in fact, utterly inappropriate.

MAKING ECONOMICS SIMPLE

After outlining these general goals, the authors propose twenty specific "standards." These focus on more detailed points and again do so in terms that tend to ignore how complex reality often is. They also frequently fail to address the most important issues. A few examples of these "standards" and the multitude of issues they raise will suffice to illustrate the shortcomings of this simplistic view of the world.

Standard 3: "People, acting individually or collectively through government, must choose which methods to use to allocate different kinds of goods and services" (p. 250). There is no discussion of the advantages and disadvantages of each of these fundamentally different approaches, nor under which conditions each of them would be more appropriate.

Standard 4: "People respond predictably to positive and negative incentives" (p. 250). This overlooks important differences not only among individuals, but between groups of people. For instance, there is a great deal of evidence that women and men often respond differently to the same incentives, whether because of differences in biology or in socialization. Two examples are that women, on average, are more risk averse than men, and that the elasticity of the supply of labor is not the same for women and men.

Standard 8: "When supply or demand changes, market prices adjust" (p. 250). This type of claim supports the view that economists have attempted to pattern their thinking after the physical sciences, where processes are governed by natural laws, although this analogy is often inappropriate. There is nothing automatic about the adjustment of market prices; not only are the adjustments often slow, they are also uncertain. One of the most obvious examples is the existence of prolonged unemployment rather than rapid adjustments in the labor market that lead rapidly to a new equilibrium.

Standard 10: The authors ask students to "compare and contrast the incentives an individual might face in serving as an elected official, the owner of a small business, the president of a large company, and the director of a local United Way office" (p. 253). Also, among institutions mentioned here are banks, labor unions, corporations, legal systems, and not-for-profit organizations. Nowhere do they mention the family, arguably the most fundamental institution in most societies. This omission is regrettable in part because it allows students to ignore that incentives for heads of families are likely to be very different than those for, say, CEOs. Had the authors not overlooked this important institution, they might have been less likely to make the claim that "responses to incentives are predictable because people pursue self-interest" (p. 252).

Standard 13: "Income for most people is determined by the market value of the productive resources they sell. What workers earn depends, primarily, on the market value of what they produce and how productive they are" (p. 251). It would be a rare student who would not interpret this to mean that people's incomes are entirely comprised of what they earn through their own efforts, thus ignoring income derived from wealth. Admittedly, such income is insignificant for most people, but it is enormously important for a small minority, who receive a surprisingly large part of total income in virtually all countries. One may also wonder how many students are aware that the value of productive resources is likely to be influenced by market imperfections, such as barriers to entry, discrimination, and more generally, by monopoly as well as monopsony power.

ENGAGING STUDENTS IN ECONOMICS

Although this critique has already pointed out a number of sins of omission, along with many sins of commission, it would be incomplete without pointing out one more serious issue that these guidelines fail to address. They show no concern about students who find little in economics as it is taught now that is relevant to the world they know, particularly women and members of minorities,[4] but also young people of working-class background. Thus, little or no information is provided about issues that would be of special concern to these students, including nonmarket work, discrimination, and problems of inner cities; nor in the U.S. is information provided about concerns more specific to other countries and cultures. Indeed, these are topics that might well generate greater interest among all students. Lack of concern with such problems, endemic to the field of economic education in general (viz. Becker 1997, and the Symposium in the *Journal of Economic Education* 1996) dooms any efforts to get more students engaged with economic issues, let alone to encourage them to go on to other courses to learn more about them. This is hardly surprising when the economics profession chooses to award the high honor of the Nobel Prize to scholars who develop a better way of evaluating stock options, but all too often neglects those who have contributed to our understanding of such developments as the increasing inequality of income, the changing role of women throughout the world, the failure of the longest economic expansion in U.S. history to raise wages, and better ways to have real reform in welfare systems. This goes a long way toward explaining its continuing failure to raise the level of economic literacy among the general population.

CONCLUSION

In sum, the Siegfried and Meszaros guidelines neither help instructors teach their students more about the economy and how it operates, nor encourage them to emphasize how complex the world is, and how important it is to beware of those who would pretend otherwise. Thus, the authors of the National Voluntary Content Standards do not heed the minimal precept that should be followed by teachers as well as physicians: first of all, do no harm. For teachers who follow these recommendations, so far from helping high-school students become economically literate and teaching them about the most important issues that confront us, will tend to make young people believe they have all the answers, thus making them easy prey to shrewd demagogues who offer easy solutions that are consistent with the half-truths they were taught. Therefore, college instructors should oppose these guidelines, if only for the purely selfish reason that they will have to spend most of their time in introductory economics courses explaining to students that what they thought they knew is not really that simple.

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NOTES

1 Hansen's main objections to Siegfried and Meszaros are, first, that they confuse concepts and principles, and, second, that they do not offer sufficiently detailed explanations of their views, although he does also raise some objection to their claim that it is not important for students to know facts.

2 One of the brightest engineering students I ever had in my introductory economics class told me one day that he was really enjoying it because here everything was not "cut and dried" as in his engineering courses.

3 See, for instance, Julie Nelson (1993).

4 The declining proportion of women, among the decreasing number of economics majors, and what might be done to remedy this, is the focus of Robin L. Bartlett and Marianne A. Ferber (1998).

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