

ECONOMIC MISEDUCATION

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Introduction

Though public education is the central institution in a democracy for providing citizenship education, schools are constantly under pressure to serve private-sector interests. The successful intrusion of such interests has produced public-sponsored schools that often serve primarily private-sector goals.

Public education in a democracy not only has to be concerned with *equality of admission* to public education, but it is equally important for students to study about common human problems once they are in school. People in a democratic society must have an intellectual basis for responding to social needs through public policy.

Instead, educators have usually permitted public

schools to be supermarkets for special-interest groups. As with the food supermarket, some products are likely to be included, instead of others. The more powerful private-interest groups, dedicated to their own self-interest, are likely to win — if for no other reason than that money buys materials and programs.

If this control of education continues, there is less chance of having a government that really serves the public interest. Instead, government is likely to continue to be unable to generate the necessary public policy.

The following article is a case analysis of this problem, with respect to one important area of school curriculum — economic education.

The Joint Council on Economic Education

The Joint Council on Economic Education was organized in 1949; its influence over economic education in American high schools and colleges has been substantial and increasing. The Board of Trustees is a mixture of public school administrators, college professors, presidents of business corporations, and union representatives. The Council supports economic education centers throughout the United States, provides publications which give new direction to its work, and develops instructional material. These reports repeatedly urge "objectivity" and "a rational, unemotional approach" to economic education. In 1974, the Council's "objectivity" brought praise and support from AT&T, H.J. Heinz, Xerox, Rockwell International, Uniroyal, Armstrong Cork, and such a substantial number of other businesses that the list looks much like Dow Jones and Associates. Exxon has provided funds to support an economic game called "Teaching Economics in American History" which is used by centers of economic education, carrying Exxon advertising into the schools.

The latest major publication illustrating the philosophy of the Joint Council is called, *A Framework*

for Teaching Economics: Basic Concepts (1977). It helps reveal why American business likes this form of "objectivity." The Framework indicates that the project was sponsored by General Motors, Ford, and American Telephone and Telegraph.¹ It is not a narrow ideological tract in any sense, but it clearly plays up the importance of certain concepts and plays down the importance of others while often making revealing omissions.

A first clue to its bias is the publication's failure to admit to the inherent political or ideological nature of economic theory. Economics, which they label a "science," describes "how people use productive resources to satisfy their *wants*" (emphasis mine).² Economics is treated as a *descriptive* science. If it were defined as a *design* science, it might be said to deal with "how people *could* use productive resources to satisfy their *needs*." But that change in definition would constitute a different kind of economics.

The kind of economics the Joint Council favors consists of "satisfying people's *wants* for goods and services."³ It favors a "market economy" in which "demands emanate from *individual* choice."⁴ Advertising is not mentioned as a factor influencing choice.

The *Framework for Teaching Economics* also refers to "our" economy, clearly implying an American rather than a global frame-of-reference. It is claimed that "market prices constitute the principal allocating mechanism of the American economy," in spite of the abundant evidence that monopoly and oligopoly in industry is commonplace in the United States and that "administered" prices are part of the system. The fact that American industries have repeatedly formed conglomerates, interlocking directorates and multi-national cartels is a well-kept secret in Joint Council materials. Students are, rather, guided into the "religion of capitalism," as Schumaker calls it, by a process that few are likely to find objectionable because "reality" is described through familiar landmarks given to us for years by the daily newspaper and such objective sources as *Time*, *Newsweek* and *Fortune* whose good works are sponsored by the same group of sponsor-advertisers that find the Joint Council to be such a worthy educational endeavor.

The Council's "economic goals" are, conveniently, "freedom, economic efficiency, equity, security, stability, and growth." Freedom translates narrowly to be individual choice in the marketplace. Efficiency is said to be "central to economics," while equity is "an elusive concept." It is admitted that "growth is a less universally accepted goal today than it was a decade ago,"⁵ but it is not explained why. The reader is told that individual self-interest is the main motivating force behind economic behavior, and Adam Smith is cited as a key figure in connection with economic history while Marx is nowhere to be found in the recent Framework.

While the Joint Council is neglect in discussing economic systems outside the market economy, it does provide a fairly broad base for economic education within liberal capitalism, including Keynesian concepts and going beyond classical capitalism. This kind of economic education is faithful to the dominant ideology of the American business community, the government, and the majority of the academic economists. One Council publication trying to attract business money openly states, "National economic literacy is important to business because surveys reveal an anti-business bias among college graduates . . . and as pointed out in a *Fortune* editorial, JCEE's program chips away at this problem through improved teaching of economics at

the college level."⁶

Capitalist Ideology and American Schools

American education is vulnerable to this kind of private-sector special-interest influence because too few educators have identified the conflicts between the "democratic" goals schools claim to serve and the values of capitalism. Neither the competitive, self-interest individual of the free market nor the corporate monopolist who controls supply and prices are examples of any meaningful form of democracy, for neither laissez-faire nor autocracy are values central to democracy. In the spectrum of political ideologies, it is "democratic socialism" which is built on the principle of using democracy in both the political and economic arenas.

However, the philosophy of the Joint Council directs students toward liberal and conservative ideologies.

Some Basic Errors

Joint Council material appears to be quite an admirable attempt at broadening the level of economic literacy, but, in actuality, it uses the "disciplines and structure of knowledge" concept of education which takes the conventional academic principles of economics as the basis for education and excludes many of the realities of the economic decisions that are being made in the "outside" world. A tough-minded approach to economic concepts and their theoretical interrelations needs to be tied to the realities of decisionmaking in a society where power is often unequally distributed and where economic decisions are often a way for one group or country to exploit another. The real effects of self-interest and profit motives are often shocking, as when farmers and ranchers use pesticides and hormones up until the day of marketing and contribute not only to their profit but to the cancer rate of their customers as well. We see the same behavior when businesses lobby for expansion of the military system because arms manufacturing is such a profitable activity.

It should also be pointed out that Joint Council ideology is weak on ethical considerations (what "ought to be") and strong on ethnocentric ideologies and descriptions of the recent game plan. Therefore, when value judgments are made by students they are encouraged to accept the existing system and make

ad hoc choices within it on a self-interest basis. This restricts people's capacity to change the economic game plan (system) and promotes the retention of the current power structure. It plays down or omits choices in which economics serves social needs through public democratic control of production and distribution. It particularly ignores the important fact that economic systems are prime examples of "the social construction of reality"⁷ in which different kinds of economic systems contribute to the development of different kinds of people so that economic systems must be judged as *educators*.

We Become What We Do

People are strongly affected by any social process, including an economic process, with its value-loading and selective rewards. No social process can be treated as value-neutral; even economic systems shape our character and our personality and cannot be mere technique.

The experiences people undergo in economic activities are fundamental to what they become and to the kind of society that develops. Competitive economic systems don't create cooperative societies. Employment which exploits other people or destroys natural resources takes its toll in either adjusting people to immoral conditions or in giving them a sense of alienation, often producing a high price in crime, drug use and self-destructive behavior.

If an economic system excludes democratic principles and human development goals for the sake of efficiency and profit, it becomes a game that produces products at the price of people. Unless the "worth of the human person" is an ethical meta-economic principle, people can be treated as little more than one more pawn in the game — one of the "costs" to be reduced, along with capital and land costs. The "costs" and "benefits" of alternative economic systems need to be considered in ethical terms, for an economy is a social invention and should serve people.

The kind of tacit acceptance of the "compulsory unemployment" of millions of people, especially youth, minorities and older people should be treated as economic failure which is grounded in non-ethical economics. People are miseducated into thinking there is a surplus of people looking for too few jobs in such areas as education, health, and housing construction — even though there are many unmet

social needs in these areas. Students are encouraged to go into areas of "need" — such as business. But if the problem were defined as a shortage of jobs rather than a surplus of people (of teachers, for example) the design and creation of new jobs could be undertaken. This is a different approach to economics in which production follows social need rather than individual "demand" measured through spending power.

Economics and the Future

The kind of future we will have is connected with and will follow upon the kind of economic system we have, and the kind of economic system we will have in the future is affected by the kind of economic education people get today. The myth of value neutral economics prevents the larger freedom to make choices about the common future. It prevents us from recognizing that economic decisions have ethical consequences and should be treated as applied ethics.

A redirected economics education can help people learn to plan economic transition steps toward a better life for present and future generations, a consequence unlikely through the current form of economic education.

Footnotes

¹A *Framework for Teaching Economics: Basic Concepts*, W. Lee Hansen, Chairman, The Joint Council on Economic Education, 1977, p. iii.

²*Ibid.*, p. 7.

³*Ibid.*, p. 10.

⁴*Ibid.*, p. 13.

⁵*Ibid.*, p. 26

⁶"Achieving Economic Literacy Through Education and How The Joint Council is Going About It," The Joint Council on Economic Education, 1966, pamphlet.

⁷See, Berger and Luckmann, *The Social Construction of Reality*, Anchor Books, 1967.

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