

Elementary economics and education

—By—
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“The individual freedom cannot exist without economic security and independence. People who are hungry and out of a job are the stuff of which dictatorships are made.”

— **Franklin D. Roosevelt**

The formal education process around the world has also evolved parallel to the evolution of the economies throughout the history. It may not have been always clear whether the results of the knowledge produced by the formal education at a given time was the leading cause of the economic revolution or the changes in the economy at the time forced the formal education to make the necessary adjustments to fit in as an important wheel of that new economic machine.

The evolution of the formal education has either been the cause or the effect of the evolution of the economies around the world, from agricultural revolution through all the industrial revolutions to nuclear power and the invention of the computer in the recent past.

The digital revolution will impact all disciplines, industries, and econo-

mies around the world where Artificial Intelligence (AI) will be a key component. The utilisation of cloud computing, robotics, 3-D printing, block chain record keeping, internet of things (IoT) and advanced wireless technologies will become the common practice among industries.

This has influenced education systems around the world to introduce even the kindergarteners to the digital world starting with toys and computer-assisted games. Elementary schools are introducing e-books for the students to download and read and ‘apps’ for mathematics and science to practice. But it is not easy to find an education system that gets the kindergarteners, or the first graders involved in talking economics.

Having experienced this latest meltdown, Sri Lankans will find it easier to understand the importance of ‘economic literacy’. If a majority of people understood what was happening with excessive borrowing and spending successive governments dragged the country through and what they could have done to steer it away from disaster, then they would have minimized their suffering. As professor Henry Mintzberg says: “What we call a financial crisis is really at its core a crisis of management, and not just a crisis of management, but a cri-

sis of management culture....In other words, what you had is a detachment of people who know the business from people who are running the business.” For people to understand that there is such a detachment, the average person should, at least, have the ability to recognize the two groups.

Lawmakers

Intellectual discussions, analytical thinking, and collective action with the intention of reaching a common goal, in this case getting out of crisis, are key ingredients in formulating sustainable solutions to any problem. Unfortunately, for Sri Lankans, their Lawmakers have no clue about such things as intellectual discussions, analytical thinking, and collective action towards common good. Only collective action they would agree on is safeguarding their own self-interests, including hanging on to their lucrative positions in the parliament. Therefore, it is up to the citizens in general to put their critical thinking hats on, engage in intellectual discussions, and come up with viable solutions that the law makers, as public servants, can formalise through relevant procedures and implement as soon as possible.

This is where one would start seeing that all roads to such solutions are

going to go through education, not just the formal education, but the process of learning in general. The formal education process can certainly be designed to train a child from the primary level itself to approach a problem with critical thinking and to discuss pros and cons of possible solutions with peers in a civilised manner.

They could also be taught to respect the opinions of others and to value cooperation over competition and finally to implement the best solution with the intention of achieving common good. Teachers would say that the time allocated for their classes never seems to be enough to teach everything that administrators, policy advocates, legislators, and parents think should be addressed in the elementary classroom. Teachers are also expected to stay current in best practices, use new technology and redesign their methods of teaching and assessing.

Since ‘economics’ is the study of making decisions to optimise the gain within an environment of limited resources, teachers themselves can start with deciding whether to use some of the limited time available to them to teach economics or not. If the stakeholders in the adult world from parents, teachers, administrators, curriculum designers, all the way to the Minister of Education, the Cabinet

of Ministers and the Members of the Parliament do not understand the relevance of economic understanding to their personal lives, then they won’t even be able to imagine how it could be relevant to the lives of the students in grades 1 – 5 who are still trying to master their reading, writing and arithmetic. Often parents and teachers feel that economics is a subject best taught when the children are in high school.

Humanities

Unfortunately, not all students will take high school economics since they have to choose their study streams such as natural sciences, humanities and social sciences, and accounting and commerce. Even the ones in the economics classes will only go through the theories and prepare themselves for the examinations but not really see how it applies to daily encounters of their lives. For example, they may hear about production possibilities, but never understand how this model has application to choices they make as teenagers or in the future as adults.

Though young children learn early that they cannot have everything they want, they do not always understand why this is the case or why each choice involves a cost. If asked, they will say

that it is the parents, teachers, or some other adults who are prohibiting them from getting their desired choice and when they grow bigger, they can have everything they want.

Studies show that students can learn economic concepts in the primary grades provided their teachers are knowledgeable about the subject and capable of employing quality economic education materials in the classroom. Economics provides a context for why learning these skills is beneficial. It is an improvement of our human capital.

Human capital refers to the quality of labour resources. Through economics students will be able to analyse more complex societal problems. Students should also understand that they live in a market economy and therefore, should know how markets work.

Economics educators, curriculum developers, and teachers working together can improve the quantity and quality of economics taught in the school. It is never too early to teach children the basic concepts of economics through age-appropriate teaching/learning methods.

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