
NOTES AND TOPICS

Why Not Grow Pineapples in Hobart? *Making Choices in Australia's Schools*

Peter McGregor

Hobart, Tues. Dr Grenville Hallow, MP, the Federal Member for Hobart Docks, today put forward a new idea. 'I propose that we grow our own pineapples in Tasmania,' he said, 'so that in future we won't have to bring them all the way down from Queensland. Think of the jobs we will create.'

Dr Hallow, whose family company has made a small fortune selling fruit salad and ice-cream to tourists, said that anything Queensland could do, Tasmania could do better. He has asked several banks to lend him \$10m to build a hothouse on the northerly slopes of Mount Wellington that will house 10,000 pineapple plants.

'They may not taste the same and they will probably be a lot more expensive — about \$50 each — but at least we will be able to say that they're ours', he told family and friends at his Hobart Docks office yesterday. A spokesperson for one bank said they were still waiting to see his business plan. (*Hobart Herald*, 1/4/98)

If what surveys of economic literacy tell us is true, people such as Dr Grenville Hallow are not alone in the Australian community.

In a major report on what Australian children know of economics, geography, history, politics, and selected cultural concepts, the Australian Council for Educational Research (ACER) claims that 30 per cent of Year 5 students and only 12 per cent of Year 9 students demonstrate any understanding of basic economic processes. 'Most of this group display some rudimentary understanding', says the ACER, 'but their responses tend to be characterised by vagueness, misconception, and misguided attempts at explanation that are frequently tautological or self-referential'. The authors conclude that economics is the least understood. 'The findings of this study suggest that economic understanding is less well-developed than for the other four areas studied. Since students do not generally receive formal teaching in economics until middle secondary level, or later, it is perhaps not surprising that their understandings show the weaknesses this study has revealed' (Doig et al., 1993).

Perhaps. In the United States, at the end of World War II, recognition of a lack of exposure to the formal teaching of economics at all levels of schooling triggered the

rise of a national network of teachers and academics committed to introducing even very young children to the economic concepts that help explain both the way communities work and the way our goods and services are provided. Today, the National Council on Economic Education (NCEE) (formerly the Joint Council on Economic Education) has 250 centres throughout the 50 states teaching teachers how to illustrate the way the economy works.

At one end of the spectrum, kindergarten teachers teach Zoo Economics and introduce young learners to the ideas of goods and services, resources, opportunity cost and trade-offs. (None of this should come as any surprise. Americans often attempt what others think is impossible. Teaching economics to prep-graders, or even early primary school youngsters? No problem.) At higher levels, classes look at Energy, Economics and the Environment, or Trading Around the World. One of the National Council's regular newsletters, *Economics for Kids*, publicises the work of successful teachers in classes around the country who have found innovative ways to teach economics through a number of common themes including Transport, People in the Community, Trade, Specialisation, Environment, Money, Farming, and even Waste Disposal.

In fact, with the help of teachers and economists, and years of university research, the National Council has published a Master Curriculum, a comprehensive guide to the teaching of economic concepts from Kindergarten to Year 12 (Joint Council on Economic Education, 1989). Its scope and sequence shows what should be possible at what levels; and what it reveals is that what we in Australia might have thought was impossible is not only possible but desirable.

The NCEE believes that children from the earliest stages of schooling need to understand about scarcity and why we are forced, as individuals and communities, to make choices. 'All choices require basic knowledge of the economic conditions and institutions of the world', it says. 'Decision-making skills and economic understanding require a foundation that begins in elementary school and continues through high school.'

Nobel laureate James Buchanan once wrote that the economist's stock-in-trade was the ability and proclivity to think about questions in terms of alternatives. 'Economic education is education in decision-making, both individual decision-making and social decision-making', say the editors of *Economics for Kids* (Fall 1994). 'The economic way of thinking helps students realise that there are opportunity costs: any time a choice is made, something is given up.' In other words, whether we know it or not, there are costs involved in every decision we make; that is, making a decision always means we forgo valuable alternatives. Such costs cannot be avoided and we are better informed as decision-makers, citizens or taxpayers when we understand fully what we are giving up each time we make a decision.

Making Choices

The notions of opportunity costs and trade-offs — giving up some of what we value for more of other things we want — are a key component of a new program of critical thinking for primary and junior secondary school children in Australia. It is being

developed under the working title of *Making Choices*, and will be published in 1995 by the Melbourne-based Curriculum Corporation. Conceived as a course in raising the levels of economic literacy of primary and junior secondary students across the curriculum, the program is the result of a sponsorship arrangement through the National Industry Education Forum (an offshoot of the Business Council of Australia) to the Curriculum Corporation. But the ideas are largely the result of a long-standing relationship between the NCEE in the US and the Centre for Economic Education in Melbourne, chaired by Professor Ian Harper of the Melbourne Business School.

'We all have to make choices, every day of our lives', the program suggests. 'But why do we have to choose? Why can't we all have everything we want? Aren't there enough resources in the community for everybody to have whatever they want?' It may come as a surprise to some, but the answer to the last question is a definite 'no'. Which means that every community has a fundamental economic problem to solve. *Making Choices* is a program unique in Australia designed to help children see that before people can make informed choices, they must be able to make reasonable estimates of the likely social and economic costs of different actions. It introduces Australian classrooms to the ever-present problem of scarcity and the ways that communities respond to fundamental questions such as: What should communities produce? For whom, and how? Does it have to be this way? What are the alternatives? Yet there is little of the 'dismal science' that frightens the life out of most teachers and almost every member of the general community. Instead, young people are empowered to think carefully about the range of alternative choices that are available to them and their communities. The *Yellow Pages* and the home become key learning resources; the shopping centre, a mine of information.

Allocating Resources

Though economic literacy is its focus, *Making Choices* is not about money. It is about people. It is about everyday people in almost every community throughout Australia, and how the choices they make to consume goods and services cause individuals and businesses to provide them. It is about how people work together to produce the things we value, what resources (land, capital, labour, entrepreneurship) are used, and the way all the resources at the disposal of communities are allocated.

When it comes to allocating society's resources, it asks what works best. There are activities designed to explore the consequences of allocating resources:

- on a first-come, first-served basis (what sort of society would that create?)
- by lottery (ditto)
- through prices (the way it is)
- by force (it's happened!)
- by sharing (sounds OK, but does it work?)
- at auction?

The engaging material, illustrated and designed to maximise its appeal to all age groups, is intended to be used in conjunction with the national Society and Environ-

ment curriculum profile for Australian schools. It allows students to draw on direct experience and to gather, record and interpret information about their community, society at large and the environment. Because it has not been on education agendas in the rest of the world, for too long we in Australia have tended to think it can't be done. Yet it is now clear that it can be done; and it's equally clear that governments and curriculum designers at last think it should be.

The sequence of stand-alone activities provides schools with a new perspective on the way communities work, what work people do, and how everyday things (muffins, chocolate and toys, for example) are produced. For the first time, today's young people are introduced to economic concepts such as capital (tools and technology), natural and human resources, markets and the importance of trade-offs. How communities often give up a little of something to get a bit more of something else, like some air quality, so that we can have electricity and motor cars; a few trees so that roads can be made safer.

The materials also help students (and teachers) understand, issues associated with international trade, specialisation and comparative advantage. Why don't they grow pineapples in Hobart? Do we really need what other countries produce?

We Are The Economy

Making Choices highlights the fact that scarcity forces us to make economic choices every day and that the choices we make have interesting effects within the community (or the economy). Who provides our milk? Who provides our bread? Who clears away our garbage? What resources and capital do they use? What choices do they make and why? How interdependent are the people who produce goods and services for us?

We are all part of the economy because what we choose to consume — either as goods (jelly beans, tee-shirts, CDs or motor cars) or as services (health and dental care, education or window-cleaning) — causes other people to produce them. And, as well as being consumers, most of us are also producers. Clearly, we are the economy.

Towards the end of both the primary and the secondary materials — two sets of 20 six-page, user-friendly activity cards for both teachers and pupils — case studies of everyday issues and problems are raised. For example, recycling, which uses large amounts of energy and all kinds of resources. What happens when the resources it uses to recycle are greater than the resources it is recovering? Forests, water, mining, land, energy, pollution and transport issues are examined similarly, introducing key analytical skills that may be applied to future community problems requiring informed decision-making.

The multi-disciplinary teaching/learning units encourage students to work in groups, to carry out personal research tasks, to interact with a range of peers and adults, and to look at what is happening in every community around the country in a way that has not been attempted before.

Far from being dismal, the activities are lively and diverse. Engagement with the local community is the key principle. In most cases, the program reflects the world as it is, rather than how it ought to be. It is about helping young learners balance the

supposed benefits of choices against the real costs. It helps them improve their decision-making skills by considering and testing alternative solutions to everyday problems. Through activity and guided analysis, it provides them with the means to seek informed solutions to traditional, ill-considered or politically correct answers to age-old dilemmas and avoid (or minimise) the unintended consequences of decision-making.

Finally, *Making Choices* encourages students to examine their own individual behaviour as members of a family, a community and a country. Rather than making automatic responses, or poorly-informed decisions, the program may help them discover that they have the power and intelligence to make wise choices and influence their own future.

References

- Doig, B. et al. (1993), *Conceptual Understanding in Social Education*, ACER, Melbourne (Research Monograph #45).
- Joint Council on Economic Education (1989), *Economics: What and When: Scope and Sequence Guidelines K-12*, New York.

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How Much Spending? The EPAC Survey of Public Expenditure Preferences in Australia

James Cox

In October 1994 the Economic Planning Advisory Commission (EPAC) published the results of an opinion survey on public spending preferences in Australia (Withers et al., 1994). Some of the press reports at the time (such as that in *The Australian Financial Review*, 31 October 1994) suggested that the study showed that the public is willing to pay more in taxes to finance higher levels of government spending. The authors' own summary is more accurate: 'It is found that the broad level of public expenditure is in line with taxpayers' wishes in Australia. However, there is also evidence that, on average, taxpayers might prefer some rearrangement of the composition of our public outlays' (p.ii). The study therefore supports continuation of the status quo rather than a large increase or decrease in taxation.