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Article

## Economic education: Its past, present, and future

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### 1 ECONOMICS EDUCATION – ITS PAST, PRESENT, AND FUTURE

Economies as well as economics face a lot of intertwining crises which leads to question what are the answers of economic education in the different countries to prepare the young people for the challenges of the 21st century. What is economic education today expected to deliver to the students? Most economic educators would probably agree that economic education should develop the students' understanding of the main principles of national and global economy, skills to manage their own household economy, skills to understand the challenges of working life and make a good choice for the first job. In recent years a paradigm shift seems to have developed in such a way that financial literacy and the development of an entrepreneurial attitude are overriding the earlier goals (on financial literacy, Nicolini & Cude, 2021; on entrepreneurship, Matthews & Liguori, 2021).

At the same time it is much less discussed if economics – and what kind of economics – plays the most important role in economic education, or how far economy and economic capabilities so much intertwine with society that something else than economics is needed in economic education, to enable people to manage their working and entrepreneurial life and act as informed voters, citizens, and society-builders. The economist Robert Skidelsky (2017) has identified the problem as follows:

“Most economics students are not required to study psychology, philosophy, history, or politics. They are spoon-fed models of the economy, based on unreal assumptions, and tested on their competence in solving mathematical equations. They are never given the mental tools to grasp the whole picture.”

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Considering the complexity and dynamics of mutually reinforcing crises that countries are currently facing, the question arises as to how far current economic education is able to respond adequately to the challenges of the 21st century. Also interesting are the new concepts that take into account the challenges of insecurity and contingency, as well as mutual entanglements with social challenges without losing sight of the core of economic education.

## 2 CHALLENGES FOR ECONOMIES AND ECONOMICS

Currently many beliefs in economic education, based on neoclassical assumptions, are topics of controversy and debate.

*Sustainable development* has long been an important challenge in economic education. Economic education, looking at externalities, common goods and dilemmas, has suggested important answers to why ecological awareness and appropriate behavior often diverge. To overcome this gap, market-oriented solutions in overcoming scarcity problems have been offered. However, ecological consequences are difficult to estimate (Sterner, 2015). Currently the economic and, most importantly, ecological and social costs are becoming much more evident and the consequences of the worsening ecological crises – in the form of scarcity and monopoly prices – hit the socio-economically disadvantaged groups and countries much harder. Growth of material well-being is no longer the default assumption but for all the more numerous people it is all the more likely that the future will be less affluent. This can call into question the stability of national and global political structures.

*Comparative cost advantages* are also part of the tenets of economic education that have helped justify the advantages of globalization, while both the corona pandemic and the Russian invasion of Ukraine with their economic consequences have clearly brought to the fore the deep interdependencies due to the extensive international division of labour. The new situation has shown with unmistakable clarity the fragility of the global economic networks where goods, labour force, consumers, and also capital have been operating and moving (relatively) free in the spider-web of long production chains.

While in the past *distribution conflicts* were alleviated primarily by economic growth, such growth increasingly seems to be reaching its ecological limits. Also the global division of labour in a geopolitical competition has conduced to marginalization in rich industrialized countries. Together with technological advances and demographic challenges the national arrangements of social security and justice – considering global financial markets and their risks – face serious problems. On the other side, some old rich countries discover that their low-wage-markets get rid of workers, and to their apparent amazement they find out that their prosperity is also connected with them. Outsourcing to the lowest bidder also seems to have limits that for a long time could be ignored.

While *competition* is an indispensable foundation in the markets that are geared to the needs of people, these appear to be called in question, not the least due to the

challenges of platform economies which urgently asks for new answers that offer new opportunities for sharing and collaboration in the age of digital economies. Still, platform economies can also have a “dark side” in how the hubs of platform governance shift from value creation for the digital ecosystem, to value creation for the hub itself, aided by their central position in the ecosystem (see Rietveld & Schilling, 2021).

Very importantly, the *function of the state* as an actor in economy seems to be completely different in times of existential crises than in good weather periods for which neo-classic assumptions seem to be constructed for. In the case of financial crises in 2008 (see JSSE 1-2010; 2-2010), the following European Crises (see JSSE 2-2013; 3-2024), the covid-pandemic (see JSSE Special Issue 2020), and the war in Ukraine, the state in the Western countries has been given a big role in responding to the economic pressures caused by the crises. In the preceding 40 years public spending was seen as the major threat to healthy national economy in many developed societies. Concepts like the Baumol’s disease and the Laffer curve were circulating in the arguments that recommended a small role for the state in economic matters. But in the afore mentioned two crises public spending and public debt have been accepted much more readily. The rationale of state intervention has sometimes been to avoid economic meltdown but in the recent crises also the argument has come up that protecting national health, liberal democracy, or the sovereignty and integrity of an independent state or its reconstruction costs a lot of money and this must be accepted. Paraphrasing J. M. Keynes’ famous words during World War II: anything we can actually do, we can afford.

### 3 ECONOMIC EDUCATION IN VIEW OF CRISES AND GLOBAL CHALLENGES

All the afore mentioned challenges demand, in a narrow neo-classical sense, a reaction or a response from the individual. The focus on financial literacy, financial education and the entrepreneurial attitude hands responsibility particularly to the individual, without looking at social influences on the one side or necessary political arrangements on the other side (see especially Willis 2018).

The economic crises and the afore mentioned global challenges are one major reason, or perhaps *the* major reason, why the hegemony of neo-classical economics has been so loudly criticised in the last 15 years. Pluralism in economics has got more attention, also in the previous issues of this journal (see especially JSSE 3-2018). This development is welcome from the perspective of education for democratic citizenship: it is a healthy state of affairs that competing theories, models and policy recommendations in economy are available and weighed against each other using rational arguments. As the authors of the book *Econocracy* have argued, economy and economics is like a democratic territory in that the best arguments, rather than those with the most prestigious institutional backing, should be prioritised (Earle, Moran & Ward-Perkins, 2017). It is also central that these arguments may not be only economic but also sociological, political, or anthropological. This is the insight in the theories of socio-economic education: the subject in economy is a culturally and historically situated agent and not an *automaton* executing calculations of material profit and loss

(Hedtke, 2018). This brings us to the basic question of all education, including Economic Education.

The tension in the aims of Economic Education is the dilemma: citizen's adaptation and socialisation *versus* citizens' emancipation and subjectification. How does it show in the parameters of Economic Education? How is it understood and set in practice by teachers, researchers, textbook authors, education policy-makers and the students themselves? Multiple other actors – among them also international organisations like the OECD – are also happy to influence the Economic Education curriculum. What has been their impact in this field? Also the outcome of Economic Education is now a focus of lot of attention. What is it that should be assessed, and how?

With these questions as the general background, we welcomed following themes in this issue on Economic Education, well aware that only a fraction of them could be addressed within the limits of one single journal issue:

- What emphases, demarcations and developments can be seen in the aims, content, methods and textbooks in Economic Education? What conceptual structure is found in the subject matter, and how has it developed over time? What fields of economic life are in the focus when we think of private households, enterprises, the markets, the public sector, consumers, taxpayers, employees and entrepreneurs? What input comes to Economic Education from economics, business studies, political economy, economic history, psychology, or sociology, for example?
- What are the ideal competences of students in Economic Education, and how are they assessed? What methods and learning materials are used, and what strengths and shortcomings can be found in them?
- How is Economic Education organised in primary, secondary and tertiary level of education and in teacher training in particular? In school is it a separate subject, part of an integrated subject or taught in cross-disciplinary arrangements? Related to this, what connection has it with subjects like Geography or History? What training do Economic Education teachers have, and what are the strengths and weaknesses in that respect?
- What conceptions of economy and knowledge of economy are seen in the Economic Education classroom? How do teachers see their task as economic educators, and how do they adjust their teaching for students in different environments, regarding their age, gender and socio-economic profile? How do teachers identify the challenges of economic education and try to tackle them? How do students see the value of Economic Education, and how do they connect it with aspects of their everyday-life? Are there conflicts in the classroom, regarding how economic issues are interpreted and handled?
- How multivocal is Economic Education and what points of tension are visible in it? What traces of pluralist thinking, hidden normativity, and openness to socio-economic topics can be found in it? How broadly are the notions of financial literacy and entrepreneurial education understood in Economic Education? How are connections of economy with ecology, politics, sociology, ethics and psychology

addressed? What is the role of NGOs and lobby organisations in the discourses of Economic Education? What are the public views of Economic Education like?

#### **4 CONCEPTUAL DEBATE AND EMPIRICAL RESEARCH IN ECONOMIC EDUCATION**

The articles in this issue discuss conceptual debates and empirical research on economic education in the United Kingdom, Germany, Russia and Sweden and the Nordic countries. They ask what needs to be understood in the economic world in order to prepare for a complex, dynamic, and unknown future. The authors largely agree that traditional economics can not be neglected but economy has to be embedded in a broader context.

What should be taught in Economic Education so as to enhance a well-educated person? This is the question Jacek Brant raises in his article, looking at the important knowledge that might be described as a “voyage of discovery” where learning should be an enquiry. This is often lacking when the focus is only on the outcomes of learning and their epistemic dimension is not described. As school has to look to the future, depending on existential crises, the earlier ways of looking to the future as an extended version of the past are inadequate, like also preparing for the 21st century skills without caring about knowledge. Brant argues for equipping the students for the future with powerful knowledge based upon scientific concepts that are needed for understanding of the canonical knowledge of the orthodox economics as well as the contingent and dynamic knowledge in a state of becoming where the conception of human subjects allows to understand them in their social, ecological and political context. He also develops a typology of powerful knowledge of economics and provides examples that show that neo-classical knowledge often falls short. “It is not a matter of teaching ‘effectively’ for its primary concern is with the quality of what is being taught and for what purpose”, Brant states.

The topic in Niclas Modig’s article is also powerful knowledge. The author analyses how scientific economic terms are used in the Swedish economic textbooks. He is convinced that new perspectives in Economic Education are necessary but this does not mean renouncing traditional economics. He focuses on the occurrence and use of the terms opportunity cost, marginal concept, demand and supply, interest, inflation, and GDP/growth in the textbooks. Among these terms, opportunity cost and marginal concepts come up the least in the textbooks. Modig also analyses the use of everyday and scientific discourse in the textbooks, the semantic upgrading and downgrading of the terms and the downward and upward escalators in how economic terms are converted into everyday-vocabulary, or vice versa everyday-experiences are conceptualised using the specialised language of economy. He finds downward escalators more dominant in the textbooks for vocational education, and he criticises the textbook authors that their quest for accessible language reduces economic knowledge too much. In his view this is problematic because scientific concepts are tools the students should be provided with so as to support their skills to interpret their everyday-life in a new way.

Whereas many authors criticise Economic Education that is based on models instead of real-world-problems, Stefan Friebel-Piechotta in his article discusses the function of models in economics and Economic Education. He points out to the potential but also the limitations of models in Economic Education as he analyses c. 50 German textbooks and how these give insight into understanding of their assumptions, applications as analytic tools, and reflection on their purpose and limitations.

In their article Andrei Linchenko, Olga Smyslova and Daria Lakomova report the results of their analysis of Economic Education textbooks and their interviews of teachers in Russia. The general aims, ideas, institutions, and roles in Economic Education do not look very different from those in other countries. Russian Economic Education has to be seen in the framework of economy in the post-communist society. In the authors' analysis the textbooks show the reflexion of the rapid change from planned economy to free markets and then back from free markets to the central role of the patriotic state and the military-industrial complex. Contradictions are found in how official political statements on the importance of liberalisation in economy are quoted in the textbook but the fundamentals of the state-led regime in economy are not critically discussed. At some level the tension is that the implicit notion of society in economics and its concepts appear as a "Western" interpretation of the world, and in the official discourses in Russia from the 2010's onward this has increasingly been seen as a negative thing in itself.

Julian Wollmann and Andreas Lutter in their contribution give insights into teaching of globalization by combining diverse didactic approaches. One of them, the situational approach is needed to take the experiences and expectations of the youth into account; the paradigm approach uses scientific ideas to show interdependencies; the institutional approach gives insights into rules and incentives; the political approach illuminates the role of institutions. The authors show how the regional and global perspectives as well as the social, political and economic perspectives and paradigms can enrich each other.

In addition to the articles that focus on Economic Education, there is in this issue also an article by Torben Spanget Christensen where the author develops a tool for classroom observations, looking at the subject specific communicative quality that is to be observed in actions (utterances) and their structure according to the overarching goal. He gives also examples from Economic Education and shows how elements of powerful knowledge are used in classroom communication, also when the contribution has another goal. According to Christensen, social science education tries to enhance not only a personally responsible citizen, but even more a participatory and justice-oriented citizen, the ideal types of citizens being a loyalist, informed voter, participant, self-governor, innovator, and an independent thinker. In the observations on Social Science classroom activities it is essential to pay attention to the complexity of aims, content and form. The purpose cannot be observed but has to be interpreted according to the general aims of social science education.

An other open call article included in this issue is by Stine Bang Svendsen and

Christian Engen Skotnes. They discuss the dilemma of teachers teaching classes where there are refugee students with painful experiences of war and conflicts, and students without such experiences. The opportunities for valuable insights into the situation of the marginalised and the privileged that could generate transformational learning in the classroom can be, according to the observations of the authors, only too often missed, or actually obstructed, because the teachers are wary of offending the refugee students or putting them in an awkward situation. As the authors point out, however, the teachers may actually be – unawares – wanting to protect their own and the non-refugee students' privileged peace of mind by stopping the refugee students from sharing their experiences of violence and injustice with the non-refugee students. The refugee students are as if expected to put the lock on their past and not let it affect their social lives in school. This is problematic and should be reflected upon carefully.

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