

AN HONORS COURSE IN ECONOMIC POLICY DEVELOPMENT

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Abstract

Economic policy can not be crafted in the absence of one's individual values. This honors course in economics is built upon the premise that understanding one's view of the world is a necessary prerequisite to selecting an economic system and policy prescriptions which are consistent with that perspective. This is accomplished by emphasizing that moral philosophy is the foundation for the development of sound economic policy. The background material for the course consists of readily available Internet resources as well as small, inexpensive economics issues/readings books. The course is structured around lectures, class discussions, classroom policy debates, economic issue papers, and student presentations. Teaching in this environment forces each student to evaluate several policy alternatives and to determine for themselves those choices they might find to be acceptable or unacceptable based on their view of the world. This course outline is certainly not traditional and is rather labor intensive. However, both the instructor and students can take great satisfaction in realizing that strong course performance requires more than just memorization and recitation of economic concepts or theory examinations.

INTRODUCTION

Economic pronouncements are constantly made by media commentators, politicians, ordinary citizens, and even economists. A casual observer can recognize that insights shared are frequently inconsistent, even regarding the same economic issue. How is a lay person to make sense of all of these viewpoints? Do these opinions have any basis in fact?

Classroom instructors of college principle of economics are often unwilling to admit that such apparent discrepancies exist within their discipline and are unwilling to spend class time discussing the reasons for those differences. They prefer to concentrate in the area of positive economics, or those economic statements that deal with fact. Some instructors even make the preposterous claim that economics is a science, nearly on par with that of the natural sciences, where all statements can be proven. Normative economics, on the other hand, focuses on statements about what "ought" or "should be." Such statements imply judgements concerning what is good or bad, right or wrong.

In recent years, there as been a great proliferation of honors courses and programs, particularly at those state universities attempting to compete with top-notch private institutions for outstanding students. This paper argues economics honors courses should provide majors and on-majors alike with the ability to evaluate economic policies and to form their own opinions regarding the desirability of a particular approach prior to obtaining leadership positions in a democratic society. Such skills will allow them to function as informed citizens and voters. To acquire these skills, students must be exposed to moral philosophy as well as positive economic theory. Such an approach will enable students to see the linkage between their view of the world and the creation of sound economic policy.

COURSE GOALS AND OBJECTIVES

The course outlined here is offered to sophomores who are part of the University's Honors Program. Class enrollment is limited to 20 students per term, which allows for a structure which is both oral and writing intensive.

The initial goal of the course is to provide students with an understanding and appreciation for three world views which currently dominate Western Culture: Secular Humanism, Marxism/Leninism, and Christianity. The adherents

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to each of these primary philosophies also tend to be in general agreement concerning the economic system which they find most compatible to their worldview, Socialism, Communism, or Capitalism. Students are not expected to agree with every element of the philosophies being examined; however, upon completion of this segment of the course, they are expected to select, explain and defined one of the world views (or their own view) as being most convincing from their perspective.

The second goal of the course is to have students adopt one of the three views and to debate an economic issue from the perspective of one holding that view. Rather, they are required to utilize economic theory to support a position consistent with their assigned philosophical perspective. In this way, students gain an appreciation for other viewpoints, and can see how one's view of the world alters their economic policy prescriptions.

Finally, course participants are required to research policy alternatives relative to an economic issue and to write a technical position paper. He or she is free to choose their own topic, upon consultation with the professor, and is expected to advocate policy alternatives consistent with their own philosophy. Differences in values between a student and the instructor are quite common due to varying philosophical/economic/political viewpoints. Therefore, paper evaluation rests primarily upon the extent to which the author's policy conclusions are consistent with economic theory and their chosen philosophy.

METHODOLOGY AND RESOURCES

A course seeking to accomplish the goals outlined above is not effectively delivered via the traditional textbook/lecture notes/exam mode. To be effective, this course requires both the instructor and students to be active and creative learners.

Some of the readings and text materials for such a course can now be obtained at little or no cost by accessing them on the Internet. These materials can be supplemented with small macro or microeconomic issues or readings books, many of which encompass conservative, liberal, and radical views to these economic issues. Internet materials that can be particularly helpful include: *Humanist Manifestos I and II* from the American Humanist Association (<http://www.jcn.com/manifestos.html>) and the *Manifesto of the Communist Party* by Karl Marx and Frederick Engels (<http://csf.Colorado.EDU/psn/marx/Archive/1848-CM/cm.html>). The *Christian Manifesto* by Francis Schaeffer is available from Crossway Books. Issues/readings books that have been helpful include: *Leading Economic Controversies of 1997* edited by Edwin Mansfield (L.W.W. Norton and Company, New York, NY:1997); *Economics of Social Issues* by Ansel Sharp, Charles Register, and Paul Grimes, Thirteenth Edition, (Irwin McGraw Hill, Boston, MA: 1998); and *Economic Issues Today: Alternative Approaches* by Robert B. Carson (St. Martins Press, New York, NY:1991) – out of print.

Students are required to reach each of the three manifestos prior to class. The professor serves as the president for each of the three perspectives by using the active voice as a proponent of the particular view being studied that day. Issues discussed under each philosophy include the nature of God; the nature of man/woman; the role of history, and the meaning of life. Class discussion is a key component in the process of understanding each worldview. The professor addresses questions by assuming the position of a proponent of that particular view. Following the presentation of all three views, a subjective essay exam is given to ascertain student understanding of each of the view, and students are asked to explain in detail the view they find most compelling.

Upon completing the study of the three worldviews, debates are organized around three or four current economic issues chosen by the instructor. Each worldview is represented by a group of two or three students. Prior to the debates, reading material from each of the three perspectives is provided to students and is supplemented by course lectures outlining the basic elements of each view on a given issue. The debates themselves are structured by allowing timed opening arguments, rebuttal, and closing statements in turn from each group. Following the debate, the floor is opened to comments or questions from the other members of the class. The instructor evaluates the groups' performance based on the consistency of their arguments with economic theory and the philosophical perspective assigned to the team.

The third segment of the course involves writing an economic policy paper on a subject of the student's choice. By midterm, each student submits a paper topic and indicates the perspective he/she is going to use to analyze that topic. (A detailed outline of the structure of the paper is stated as part of the course syllabus). Required elements are: an executive summary, an introduction to the issue, a literature search, the policy options considered, the recommended policy choice, the world view basis for the policy, and the economic implications of pursuing that policy. Students are required to submit a draft to the instructor about three weeks prior to the end of the semester. Along with the draft, each student must provide his/her own brief evaluation of the current strengths and weaknesses of the paper as he/she perceives them. The instructor uses a checklist to summarize strengths and weaknesses and provides written comments concerning directions for further development and improvement. Final papers are due

that last day of class and are presented orally to the class by each student. The instructor grades the papers on the basis of clarity of the paper and its presentation, as well as the paper's consistency with economic theory and perspective it assumes.

ECONOMIC ELEMENTS OF THREE WORLDVIEWS

Biblical Christianity	Secular Humanist	Marxist Leninist
1. Private ownership of property	1. Government ownership of property	1. Societal ownership of property
2. Absolute truth	2. Relative truth	2. Relative truth
3. Individual has value	3. Survival of society has value	3. Achievement of worldwide Communism has value
4. Creation	4. Social evolution	4. Economic evolution
5. Monotheism	5. Atheism	5. Atheism
6. Individual responsibility	6. Environmental determinism	6. Economic determinism
7. Persons are selfish and evil	7. Persons are basically good	7. Persons will become good
8. Strong family unit	8. Government fulfills family's role	8. No family unit – Society fulfills family's role
9. Creativity and hard work create wealth	9. Redistribution of resources creates wealth	9. Redistribution of resources meets need
10. Small role for government	10. Major role for government	10. Absence of government
11. Equality of opportunity	11. Equality of outcome – goal	11. Actual economic equality
12. Natural law	12. Positive law	12. Positive law
13. Freedom of exchange	13. Govt. controls on exchange	13. Sharing of goods

RESULTS AND CONCLUSIONS

Organizing and teaching a course similar to that described in this paper is a labor-intensive process, requiring a significant investment of time, energy, and creativity by the course instructor and his/her students. However, the benefits far exceed the costs. Perhaps most important, this approach alters the way in which teaching and learning take place. Students can not perform well in this course by memorizing concepts or economic theory which they recite for an examination. Rather, students are forced to wrestle with such issues as the meaning of life, the purpose of existence, and to adopt a particular perspective as their own. This type of thinking has long been part of the historic mission statement of universities. This method of instruction allows students to become aware that the selection of an “optimum” economic system is largely dependent upon one's moral and political philosophy rather than stemming exclusively from the application of positive economic theory. Finally, a course taught in this way forces each student to evaluate policy alternatives and to determine why particular choices are or are not acceptable to them. In the process of espousing an economic policy in their papers, students come to understand the relationship between their view of the world and their perspective on economics.

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