A Note on Some Preliminary Observations on the State of Economics Education in Gujarat

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Abstract

This paper was based on my observations and experiences with regard to the pathetic state of economics education in the state of Gujarat. I surmised that the situation may not be very much different in other parts of the country, barring a couple of states and institutions. The quality of economics teaching and learning has fast deteriorated in public sector institutions. Most of the private sector institutions too are not far ahead in terms of imparting economics education in an appropriate way. After discussing the nature of economics in detail, the paper spelled out the causes for the same and suggested some remedies to ameliorate the situation at the earliest before a royal subject dies a poor man's death.

Keywords: economics education, economics syllabus, macroeconomics, mathematization, microeconomics

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I have been teaching economics to the students of commerce and those enrolled in various professional programs related to commerce education (Chartered Accountant, Company Secretary, Cost and Management Accountant, & Chartered Financial Analyst) since the last 18 years. This gave me an opportunity to understand the kind of economics to be taught in diverse courses suited to the respective profession. The approach of each of these courses is completely different. The same topics need to be taught from a different angle altogether. In the capacity of a senior teacher and Head of Department of the commerce college where I am presently serving as an Associate Professor, I also had an opportunity to interact with, interview, and mentor many candidates aspiring to become teachers in colleges or universities from across Gujarat. In this process, I observed that the quality of economics education has deteriorated. Although my observations penned in this paper are based on my experiences, which are limited to the state of Gujarat, I surmise that the situation may not be very much different elsewhere in our country.

Reality and Reasons for Poor Quality of Economics Education

First and foremost, let us confront the reality at the ground level. There is a wide divergence in the quality of economics education offered in public and private universities. Public universities are at a receiving end as far as the quality aspect is concerned. There are many reasons for this pitiable state of affairs. Obvious among them the poor quality of syllabus, lack of autonomy, poor quality of student intake, inferior quality of teaching, faulty exam pattern, and poorer quality of paper assessment, unfavorable student - teacher ratio, and many other uncongenial factors responsible for a poor learning experience. Private universities have overcome many of these handicaps, but not all.

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For me, the most worrisome thing is poor quality of fresh candidates aspiring to become economics teachers at college and university levels. Many such candidates have successfully entered this field, exposing it to the danger of the vicious circle of poor teaching, churning out poor graduates, which in turn will churn out still more inferior quality of teachers, and so on. I firmly believe that sound teaching lies at the core of quality education. It should not be compromised at any cost. While speaking or interviewing these fresh postgraduates, I found them to be wanting in the most basic skills required of an economics teacher at any level due to the peculiar nature of the subject (discussed further in this paper). Subtle understanding of the subject is the prime requirement that each and every economics teacher should satisfy. Fresh aspirants are very poor at understanding basic economic theory. They lack conceptual clarity. They also lack in analytical and reasoning skills. They are not able to understand diagrams. They are the products of the rote-learning system. They beg for time to enable them to recall whatever they have learnt. They fail to realize the difference between understanding and memorizing. Bade and Parkin (1995), in this context, correctly instructed students in their textbook on macroeconomics when they stated that "your aim is not to read and remember: it is to read and understand. Once you've understood something, you can't forget even if you try!" (p. 16). The essence of this has not been fully grasped by the economics fraternity at large. This shortcoming is very much present in the candidates who have passed NET exam or qualified as Ph.D. Most of these candidates could not immediately and correctly answer or discuss the following basic questions or topics from micro and macroeconomics :

(i) Difference between Giffen goods and inferior goods.

(ii) Meanings of substitution effect and income effect to explain the law of demand.

(iii) Negative nature of substitution effect.

(iv) Clarity on the three stages of the law of variable proportion.

(v) Relationship between average cost and marginal cost based on mathematical relation between average and marginal values.

(vi) Implication of largeness in number of buyers and sellers in perfect competition.

(vii) Basic tenets of classical and Keynesian economics and evolution of various schools of economic thought.

(viii) Differences between inflation, disinflation, and reflation.

(ix) Budget deficit leading to trade deficit.

(x) Meanings of appreciation versus revaluation and depreciation versus devaluation of currency.

(xi) Effects of appreciation and depreciation of currency on trade deficit.

This is just an illustrative list. It is endless. I have pointed out some primary level questions that are taught at higher secondary level in many State Boards, CBSE, and ICSE schools. Most of the candidates in their student life never referred to any good-quality reference book or material. Instead, they relied heavily on guide-like books. They failed to name the best three books in the areas of micro and macroeconomics.

This brings me to the second retarding factor, namely poor quality text books available in the market. Even some of the so-called popular economics textbooks widely used in India for college, university, and competitive exams have erred in many areas. For example, the criteria separating first stage from the second stage and third stage in the operation of law of variable proportion should be the behavior of marginal productivity of variable factor. Instead, many of the books have taken average productivity of variable factor as a distinguishing parameter. Similarly, many books have wrongly explained the average cost and marginal cost relationship by mentioning it as if the changes in average cost influence the changes in marginal cost. It should be the other way round. In most of the books, substitution effect is described as being directly related to a price change ; whereas, according to its very nature, it will always be inversely or negatively related to a price change. Large number of sellers in perfect competition is sometimes described as a market where there are millions of sellers!! In reality, largeness should imply the incapability of an individual buyer or seller in price making or price changing. Such conceptual mistakes are visible in macroeconomics books as well. So far, as the books on Indian economy are concerned, barring a few of them, all others are stereotypes in describing the nature of Indian economy and its problems, which is divorced from reality. These books treat the issues assuming our economy to be static in nature. Problem of unemployment is well described, but there is no word on the unemployability problem. Socio-cultural factors affecting economic outcomes too have been grossly ignored.

The third in my list of impeding factors is the slow pace with which the syllabus changes across many public or state universities in relation to the dynamics of the real economy with which we are confronted day in and day out. At times, we are made to teach things which have become totally irrelevant or obsolete. Here, the problem is basically with the mindset of the framers of syllabus and their willingness to bring about the necessary change in the curricula fearing backlash from many who may get affected in terms of putting in hard work to understand the new syllabi. Generally speaking, this problem is purely political in nature.

These are some elementary issues, which if not sorted, one cannot expect much to happen to uplift the quality of economics education in our country. Now, I turn to philosophical issues that need to be kept in mind while redesigning the economics curriculum.

Nature of Economics

While reframing economics courses, one should not forget the basic nature of the subject. Ignorance in this area has led to faulty design of syllabus in many courses. In this context, I find it worth quoting the two greatest economists :

> The Theory of Economics does not furnish a body of settled conclusions immediately applicable to policy. It is a method rather than a doctrine, an apparatus of the mind, a technique of thinking, which helps its possessor to draw correct conclusions. (Keynes ,1922, p.5)

According to Marshall (1885), “Economics is not a body of concrete truth, but an engine for the discovery of concrete truth” (p. 25).

These two quotes speak comprehensively about the nature of the subject. Apart from being a subject or discipline, it is also a method of enquiry. It is rich in its tools and methods of analysis so much so that a deep and sound understanding of economics can help one to acquire expertise training in other subjects as well, without any formal training. It is now beyond doubt that economics is a proper and systematic study and so it enjoys the status of science akin to physics within the realm of social sciences. It imposes strict and rigorous intellectual discipline in its learner. The core of economics lies in its analytical approach. Logic is at the heart of its analytical superstructure. Economics has superior qualities for mental discipline. The enduring strength of the discipline has been its limited set of fundamental principles – opportunity cost, comparative advantage, tradeoffs, specialization and exchange, incentives and marginal analysis, among others - that provide powerful insights when applied to a vast array of situations. Robbins (1955) opined that “economics is essentially a subject for grown-ups at any rate if it is taught as anything like a theoretical system” (p.580). All these insights need to be kept in mind while designing the syllabus.

How to Make Economics Interesting and Relevant ?

In light of the above discussion, I offer the following suggestions which can go a long way to ameliorate multifarious problems surrounding economics education :

(1) Generally, most of the courses at the primary level begin with an introduction to economics wherein philosophical topics like definition of the subject, nature of the subject, etc. are taken up for discussion. Students are not mature enough at that stage to grasp these difficult topics. So, I suggest that the courses should begin with simple topics in microeconomics and macroeconomics to make the subject familiar and comfortable with the beginners. Some managerial economics textbooks have done this very aptly by devoting first few chapters to the basic tools and techniques used in microeconomics.

(2) Emphasis should be given on critical thinking, which includes analyzing a topic from many angles instead of linear approach in teaching and learning as it exists today.

(3) As economics is deeply rooted in philosophy, a basic course on philosophy, which covers a broad body of ideas and ideology embedded in economics, should be a part of the course curriculum.

(4) History of economic thought should be made a compulsory paper for all students majoring in economics at the graduate as well as post graduate level. The reason being that economic theories have not evolved in a vacuum, but have a historical and political context. This definitely will help provide the learners the right context in which they understand issues on hand and modus operandi to handle them.

(5) A story telling approach should be adopted to explain economics to one and all (Shah, 2017). By its very nature, stories appeal more than theories to human beings. Anything taught by way of a story is well understood and remembered for a long time.

(6) Learning of computer programs like MS Office, SPSS, etc. and basic mathematics and statistics should be made compulsory as a subsidiary subject.

(7) Students should be given small projects like searching current economic issues – local, regional, national, and international – and should be asked to prepare a short write up (which should include collection of facts, reasons for the event, predictions about the event, etc.).

(8) Case studies based on real world phenomena can be taken in classes supplemented by oral questioning and discussions. This will prove to be a good method to ground economics teaching to reality.

(9) Overemphasis on building models using advanced mathematics should be avoided. The purpose is to make the subject practical rather than elegant by inducting engineering style mathematics. Too much reliance on building models has at times invited disaster as is evident from the case of the sub-prime crisis in USA in 2007. Financial engineering helped financial experts build stylish financial products not adequately supported by economic theory. The result was the financial tsunami that originated in USA and took in its grip European and other global financial markets, which ultimately had an adverse impact on GDP growth rates and employment in many economies. Moniter (2008) has rightly said that "simply because something is quantified does not mean that it is sensible. There is no substitute for rigorous critical or skeptical thinking" (p. 10).

Limitations of the Study and Scope for Further Research

The conclusions of this paper are based on unstructured observation participant method. I had conducted informal talks and interviews with some candidates in Gujarat only. This study has a large element of subjectivity. Nonetheless, this theme can be explored more scientifically through a proper statistical analysis which can induct more objectivity into the study. Here, one can employ a structured participant observation method by conducting nationwide surveys to ascertain the hypothesis of deteriorating quality of economics education.

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