

## Why Economics Is Too Tough for Ten-Year-Olds

by Donald N. McCloskey

Elementary school students learn, as Woody Allen says, that 80 percent of success is showing up on time. So our sixth graders do well if they show up and pay attention. But by high school they have learned to their dismay that showing up is not enough, and that a successful student has to memorize things at home, too. French irregular verbs do not get into one's head without some pounding. So our college-bound twelfth graders have become demon memorizers, or else they are not college bound.

The job in college, though, is to understand. College teachers have to work hard to drive out the notion that learning means highlighting the textbook. Learning is understanding, subordinating yourself to a field of study, making yourself into a disciple of good thinkers. It is not the dumping of miscellaneous facts into your head as so much "content," though of course you have to keep exercising those earlier tricks of showing up on time and doing the homework. Then comes critical thinking about a subject, and then synthesizing content. It's wearing, and it is one reason why success at one level of education or life is so poorly correlated with success at the next level.

A few people understand economic arguments the first time they hear them, in high school or early college. I was not among such students. Usually such precocity can be accounted because such students have non-late-adolescent personalities that mirror the model of economic man. Unfortunately, I know people who are like that. They did very well in their first economics course and went on to become professors of law. Occasionally, and more admirably, young people can understand economics because they have mature powers of imagining themselves in the shoes of economic man. They are like the rare person who writes good fiction at nineteen, the Flannery O'Connors of economics. Such people go on to become professors or novelists or journalists or teachers.

Most of us, though, have to slog. Economic education is like a spiral staircase, going over and over at a higher and higher level the same ground – scarcity, supply and demand, rational choice, entry and exit, aggregate behavior. At the  $n$ th repetition one suddenly arrives on the right floor. Aha! I remember studying for my qualifying exams in the second year of graduate school, going over for the  $n$ th time the rationale for the price system. It suddenly hit me what this stuff was all about. "Aha!" said I to no one in particular. "Prices are good because they allocate scarce resources, not because they are fair!" Well before, I had mouthed those very same words on an exam. But at that stage I was still memorizing, not understanding.

As John Dewey used to say, I didn't feel it on my pulse. Years later, I had a second epiphany. "Aha! Prices are only one of many possible systems of allocating scarce resources (violence or standing in line are others), but less wasteful than most!" (I learned it from Armen Alchian's *elementary* textbook.) Something we think we are teaching to our twelfth graders or freshmen took years and years of repetition to sink in.

Now why is it? I was not especially dense. Most economists will tell you similar stories. True, I was not one of Nature's Economists. In high school I disliked math, though I was never quite as hopeless at it as my father—a practical scientist—was. My idea of being practical was to declare a college major in history, since I had done well at that, too, it being in my way of thinking a literary subject.

Like most students who imagine they know what they are going to major in before getting to college, I did so because I could conceive of the subject. We didn't have economics courses at my high school. At age eighteen, economics was the furthest thing from my mind.

Well, not perhaps the furthest thing, because I was then a socialist and fancied therefore that I knew a thing or two about economics. The book that made me a socialist was *The Grapes of Wrath*, which I read late in high school. I had browsed the local Carnegie library, attracted mostly to the nonfiction shelves, and had tasted there the revolutionary romance of Prince Kropotkin the Russian anarchist and of other classics in left wing thought. "Tasted" is the word. I was a Pete Seeger sort of radical. Not a great deal of thought was involved, mainly just heart-rending choruses of "We Shall Not Be Moved." To this day I astonish conservative acquaintances by knowing and singing the old songs of the left, from "Union Maid" to "The Peatbog Soldiers." The socialists, alas, have the best songs, because songs are a romantic genre and revolutions, staffed by youthful true believers, are grim exercises in romance.

Extreme political commitment is a good preparation for economics. Some students want to save the world, as I did, and therefore want to learn a subject they correctly reckon is important for that purpose. Anyone who has gone down this road has learned an important fact: that most of the world's problems could be solved by making the rest of the world as rich as suburban America. Other students want to save the world, too, but want to save it mainly from heady projects of social engineering. They learn the other important lesson: that the world's problems cannot be solved by governments.

As I studied economics, I started to shift to the right politically. The study of economics makes one learn how stupid the usual "solutions" can be. One learns for example in the first course—but it is another lesson that is slow to sink in—that protecting our jobs with tariffs against the Japanese is a good way to become poor. One learns that offsetting the business cycle sometimes does not work. One learns that social evils are sometimes not easy to fix and are seldom the consequence of individual evils. Economics steps beyond the lawyerly, Ralph Naderish notion that if we could just sue the bastards then all would be well.

Economists talk a lot and nervously about the Scientific standing of the field, but many of them have a defective notion of what constitutes science. Enthusiasm for free trade, to take a specific example, is practically a marker of someone who has studied economics seriously. It can be proven on a blackboard. That's the problem. One can also prove on a blackboard that

slight failures of the assumptions lead to quite different conclusions. Some economists never recover their faith in the market once they realize that the blackboard proofs, though useful guides to factual study, are not conclusive.

A laissez-faire conclusion is not necessarily warranted, scientifically speaking. But neither, to be fair, is there a scientific warrant in economics for the easy view that wants the government – the only “we” available – to solve problems it is ill-equipped to solve. As James Q. Wilson wrote recently in *The New Republic*, “Unfortunately, there are a lot of tasks that no one, least of all the government, knows how to do right.”

My own slide towards libertarianism was accelerated by involvement in the anti-war movement. As it dawned on some of us in the Vietnam generation how incompetent a government could be in running its main project, war, some of us decided that the government was not likely to be the solution in more delicate matters either.

What turned me from a history major to an economics major early in college was a push and a pull. The push was taking courses from the celebrated historians Frank Freidel and William Langer. Their courses made it clear that history requires one to know something, in fact quite a lot, and therefore entails many hours of tedious reading. It is not what I had bargained for.

Nor did I like the postponement of synthesis in history. Just as I wanted a Marxist formula right away for politics, I wanted a formula right away for history. If Freidel or Langer had been equipped with formulas that so many of my colleagues later endorsed, I would have stayed with history, becoming in the end, I suppose, a politically correct professor. As it was, ironically, I became through economics a professor of history, but of a different stripe.

The pull was a book that has made hundreds of economists: Robert Heilbroner's *The Worldly Philosophers*, first published in 1953, now in its sixth edition. Again there is a political irony, since Heilbroner is a social democrat. I read him in the summer after my freshman year and instantly decided to major in economics. The book is a beautifully written set of brief lives of economists from Adam Smith to Friedrich Hayek and John Kenneth Galbraith, giving young readers the impression of understanding economics – not economics as taught but economics as perhaps it ought to be taught.

For Heilbroner's book teaches by way of personality and story, Marx and his boils scribbling in the British Museum, Keynes and his ballet dancer. Unhappily, economics is in fact taught to high schoolers and undergraduates by precept and theory. Here, the teacher intones, is the general formulation of the law of demand. Here are a few examples. Here is the definition of elasticity. Here is a useless application of it, a mostly useless idea. Only one made passionate some other way could love such a subject.

I think the trouble with economics as a high school course or for that matter as a college course is that it does not draw on the passions of young people. The miser in literature is always an old man. In truth it can be said of many subjects: philosophers and politicians are old, too. Young people can emote. Young people can memorize. Young people can follow doctrines with enthusiasm. Can young people study a philosophical subject on its own terms?

Heilbroner was right to call economists “the worldly philosophers.” Economists are more interested than most philosophers in such worldly things as the futures market in onions or an appointment to the Federal Reserve Board. But philosophers they are, trying to achieve insight by sheer thinking. Many economists have other strings to their bow, such as social history or social engineering. But in most economic music the philosophical string carries the tune.

Why then was I slow to understand this aspect of economics? The answer, I suggest, is that philosophical subjects cannot be taught directly to people below twenty-five years of age. My colleagues in philosophy would probably agree. They would be appalled if state legislatures were to mandate courses in philosophy. Don't laugh: ethics is a branch of philosophy and, startlingly, some legislators think it efficacious to make it a course, another “skill.”

I know what little I learned from a philosophy course in my freshman year: to respect the names and lives of Socrates, Plato, Aristotle, Augustine, Aquinas, Kant, Hegel, and Kierkegaard. I was nineteen. You cannot expect a teenager to understand the doctrines beyond a certain factual recall, one damned doctrine after another. The same, I am afraid, is true of economics. Such bad news, notice, is coming from someone who has written numerous textbooks in economics, and who wants the whole world to learn the subject.

The trouble with teaching economics philosophically is that a sixteen- or a nineteen-year-old does not have the experience of life to make the philosophy speak to him. It is just words, not wise reflections on his life. He hasn't had a life, economically speaking. He has lived mainly in a socialist economy (namely, his household, centrally planned by his parents, depending on loyalty rather than exit). He therefore has no conception of how markets organize production. He probably works at a market job (too many students do), but without that sense of urgency that comes over someone with a family to support. He does not have any economic history under his belt – no experience of the Reagan Recession or the Carter Inflation, not to mention Great Depression or the German Hyperinflation.

One can teach economics, on the other hand, politically. Such an approach at least draws on passions that young people can feel. But it is impossible to do so in a high school and not easy in college. Most parents do not thrill to seeing their pleasantly quiescent teenagers turned into radicals of left or right, no matter how much insight into society comes along with it. They get the school board or board of regents to stop it.

The only way to teach economics to young people, I reckon, is to teach it by indirection. Put the economics in the background of more experiential courses in history or vocational education or literature. The formal methods can be learned but they will be forgotten immediately because they do not refer to anything in the student's life. Didactic “relevance” does not work; what works is the irrelevance of literature and history or the entire relevance of home economics and auto mechanics. In such subjects you can teach economics.

One can worry about the mechanistic way that high school debating programs, for example, have developed, teaching the debaters to talk fast and talk superficially. The problem seems to be that the programs ask students to become passionate about subjects whose obvious

“relevance” is in fact obvious only to the middle-aged: Should we abolish nuclear weapons? Should we finance the reform of the Soviet economy? I suggest they return to an ancient pedagogy in rhetoric and use great fictional texts as the year's subject. Imagine many thousands of high school debaters spending the year asking, "Was the wrath of Achilles justified?"

Economics should be taught through a similarly tacit dimension. Let students learn about life in its rounded form, through history or in shop, then later, perhaps about the age of twenty-five, show them the wonders of an economic point of view. Alfred Marshall, the British economist responsible for much of modern economics, defined economics a century ago as "the study of mankind in the ordinary business of life." Students need some ordinary business before they turn to its study. That's why for many of us the study of economics does not take hold until youth has lost its flower.

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