

**Economic Education in the High Schools:
Post-communist Romania and the United States**

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An understanding of basic economic principles is important for students to become functioning members of free societies. Economic education is especially important in the emerging market economies of the former Soviet Union and Central and Eastern Europe. Because the transition to market systems has been drawn out and painful in many cases, it is vital for students in formerly communist countries to understand and believe in the long-run benefits of free markets. This is nowhere more true than in Romania, which suffered through a horrific and repressive totalitarian regime under the reign of Nicolae Ceausescu. Although Ceausescu was overthrown and executed in 1989, former communists remained

in power in Romania through 1996, resulting in a slow and troubled transition. Romania is classified as *Mostly unfree* in the *2001 Index of Economic Freedom*, with problems relating to property rights, regulation, black markets, fiscal burden of government, banking and finance, and monetary policy (O'Driscoll, et al, 2001).

Along with economic reforms, Romania is faced with problems of reforming education, including economic education. A 1994 World Bank loan aided in this process, and in 1997 the Ministry of National Education (MNE) specified that the reforms should address the accommodation of the contents and organization of education within a society based on a market economy, the rule of law and the proclamation of individual freedom (OECD, 2000). Due in part to the World Bank funding and the recognition by the MNE that education reforms must be designed to function in a market economy, economic education reforms are progressing quite well in Romania. This paper reports on the current state of high school economic education in Romania. To provide benchmarks for comparison, comparable information is provided about the current state of economic education in the United States.

The status and content of high school economic education

During the communist era in Romania, high school students were required to study economics in the eleventh grade for two hours per week. The required textbook contained only Marxist views of economics accompanied by readings by Ceausescu and other Romanian Communist leaders (Lopus and Stoicescu). The course was intended to indoctrinate students in the ideals of communism and the evils of capitalism. Although much has changed in Romania in the past decade, many of the structural aspects of economic education remain the same today. High school students are required to take an economics course for two hours a week in eleventh grade, and the curriculum is mandated by MNE. However, a look at the content of the existing national economics curriculum in Table 1-A reveals a notable lack of Marxism (or philosophy in general) and an apparent emphasis on markets, productivity, profit, and international trade.

It is interesting to contrast the situation in Romania with that in existence in the United States. Although economics is not required in all U.S. high schools, sixteen states currently mandate the economics courses be offered to high school students, and thirteen of these states require the course for high school graduation (NCEE, 2001). Probably

**Table 1: Content Standards for High School Economics in
Romania and the U.S.**

1.A Required Content for Eleventh Grade Economics Course in Romania
Initially approved by Ministry of Education in 1994 and updated over time.
The outline reflects chapter titles and subtitles of the required textbook (Ghit,
1999).

1. Needs and Resources. Economic Activity needs and economic activity, resources, scarcity	9. The Consumer and Economic Utility. Utility, rational consumer behavior.
2. The Reality of the Economy. Exchange economies, universality of economics, modern economies	10. The Market. Markets, demand, supply equilibrium price.
3. Property and Economic Markets. Property, the pluralism of property=s forms, economic freedom.	11. Competition. Competition, pure competition, imperfect competition, competitive strategies.
4. Money. Origin, evolution, functions of money, money supply, purchasing power, money exchange.	12. The Money Market. Money demand, money supply, money market transactions, changes in money supply.
5. Factors of Production. Productive	13. The Stock Market. Stocks, bonds,

resources, labor, natural resources, capital, the progress of productive factors.	forms of the stock market.
6. Technological Progress	14. The Labor Market. Labor demand, labor supply, salary.
7. Using Productive Resources. Combining productive resources, the costs of production.	15. Profit. Profit and economic activity, profit and the owners of productive resources.
8. Productivity. Productivity, forms of productivity.	16. Consumption and Investment. Results of economic activity, consumption, savings and investment.
9. The Consumer and Economic Utility. Utility, rational consumer behavior.	17. Efficiency and Equilibrium. Economic efficiency, economic equilibrium.
18. Unemployment. Unemployment, decreasing unemployment.	22. International Trade. International markets, trade, efficiency of trade.
19. Inflation. Inflation, the mechanism of inflation, decreasing inflation.	23. Foreign Exchange Markets. Demand, supply, and exchange rates, currency transactions, currency transactions in Romania.

<p>20. Business Cycle. Business cycles, policies for dealing with crises.</p>	<p>24. Global Economic Problems. Global problems, food, economic growth.</p>
<p>21. Economic Functions of Government. Economic functions of government in a market economy, the government budget, government economic programs.</p>	<p>25. The Romanian Economy in Transition. Economic reform in Romania, Romania and international trade, economic integration.</p>

the most common format for high school social science courses in the U.S. is that the course meets one hour a day, five days per week for an eighteen-week semester in the twelfth grade. This means that U.S. students taking high school economics classes average ninety hours of instruction, compared with eighty hours in Romania (two hours per week times forty weeks).

Although the economics curriculum in the U.S. is not mandated at the national level, there are voluntary national content standards whose stated purpose is to help raise the quality of economic education in America's schools through providing a resource for those responsible for school curricula (NCEE, 2000). Although the national standards are technically voluntary, a growing number of states have curriculum standards or proficiencies in economics that are not. As of February 2001, forty-eight states and the District of Columbia included economics in their statewide curricula, an increase from forty states in 1998. Thirty-seven of these states (up from twenty-eight in 1998) require implementation of the standards into various courses, and seven other states require testing on the standards (NCEE 2001). Although the mandated state

standards vary in approach and format, there is generally significant overlap with the voluntary national standards.

The economic content contained in the U. S. voluntary national standards (available at www.economicamerica.org/standards/) and the required content of the Romanian high school economics course are similar in many respects. Both curricula specify limited resources and scarcity, exchange, trade, markets and prices, competition, the role of money, investment, income determination, the role of government in a market economy, unemployment, and inflation. Perhaps an important difference is that the U.S. curriculum appears to put more emphasis on the economic way of thinking by specifically mentioning decision-making, different allocation methods, and marginal analysis, whereas the Romanian curriculum does not.

Table 1-B. Voluntary National Content Standards for Economics in U.S.

Developed by National Council on Economic Education in 1997 with private funding. Condensed here from originals. Benchmarks (not shown) outline expected achievement levels for grades 4, 8, and 12.

<p>1. Productive resources are limited. Therefore, people cannot have all the goods and services they want; as a result, they must choose some things and give up others.</p>	<p>6. When individuals, regions, and nations specialize in what they can produce at the lowest cost and then trade with others, both production and consumption increase.</p>
<p>2. Effective decision-making requires comparing the additional costs of alternatives with the additional benefits. Most choices involve doing a little more or a little less of something: few choices are All or nothing@ decisions.</p>	<p>7. Markets exist when buyers and sellers interact. This interaction determines market prices and thereby allocates scarce goods and services.</p>
<p>3. Different methods can be used to allocate goods and services. People acting individually or collectively through government must choose which methods to use to allocate different kinds of goods and services.</p>	<p>8. Prices send signals and provide incentives to buyers and sellers. When supply or demand changes, market prices adjust, affecting incentives.</p>

<p>4. People respond predictably to positive and negative incentives.</p>	<p>9. Competition among sellers lowers costs and prices and encourages producers to produce more of what consumers are willing and able to buy. Competition among buyers increases prices and allocates goods and services to those people who are willing and about to pay the most for them.</p>
<p>5. Voluntary exchange occurs only when all participating parties expect to gain. This is true for trade among individuals or organizations within a nation, and usually among individuals or organizations in different nations.</p>	<p>10. Institutions evolve in market economies to help individuals and groups accomplish their goals. Banks, labor unions, corporations, legal systems, and not-for-profit organizations are examples of important institutions. A different kind of institution, clearly defined and enforced property rights, is essential to a market economy.</p>
<p>11. Money makes it easier to trade, borrow, save, invest, and compare the value of goods and services.</p>	<p>16. There is an economic role for government in a market economy whatever the benefits of a government policy outweigh its costs. Governments often provide for national defense, address environmental concerns, define</p>

	and protect property rights, and attempt to make markets more competitive. Most government policies also redistribute income.
12. Interest rates, adjusted for inflation, rise and fall to balance the amount saved with the amount borrowed, which affects the allocation of scarce resources between present and future uses.	17. Costs of government policies sometimes exceed benefits. This may occur because of incentives facing voters, government officials, and government employees, because of actions by special interest groups that can impose costs on the general public, or because social goals other than economic efficiency are being pursued.
13. Income for most people is determined by the market value of the productive resources they sell. What workers earn depends, primarily, on the market value of what they produce and how productive they are.	18. A nation=s overall levels of income, employment, and prices are determined by the interaction of spending and production decisions made by all households, firms, government agencies, and others in the economy.
14. Entrepreneurs are people who take the risks of organizing productive resources to make goods and services. Profit is an important incentive that	19. Unemployment imposes costs on individuals and nations. Unexpected inflation imposes costs on many people and benefits some others because it

leads entrepreneurs to accept the risks of business failure.	arbitrarily redistributes purchasing power. Inflation can reduce the rate of growth of national living standards because individuals and organizations use resources to protect themselves against the uncertainty of future prices.
15. Investment in factories, machinery, new technology, and in the health, education, and training of people can raise future standards of living.	20. Federal government budgetary policy and the Federal Reserve System=s monetary policy influence the overall levels of employment, output, and prices.

Survey of teachers

To further compare high school economics in Romania and the U.S., we administered surveys to a sample of high school economics teachers in both countries in 2000-2001. Sixty-three Romanian teachers (from Bucharest, Timisoara, and Targu Jiu) and 53 U.S. teachers (from Arizona and California) completed the survey. Although the teachers who responded do not constitute a random sample, there is no reason to assume that the responses are not representative of other teachers in Romania and in the U.S. Interestingly, background information collected from the surveys indicated that most of the economics teachers in both countries did

not major in economics in college. In post-communist Romania, and perhaps in the U.S. as well, an economics degree is frequently a ticket to a better paying and more prestigious job than teaching.

The surveys provided lists of economics concepts and asked teachers to indicate which of the concepts they teach in their high school economics courses. The concepts listed in the survey are included in both the mandated curriculum in Romania and in the voluntary national standards in the U.S. Table 2-A reports the results from this series of questions. On the whole, the responses from both countries are quite similar. About an equal percentage in each country report that they teach all of the concepts on the list. For both groups the concepts of market failure and comparative advantage had lower percentages than the other concepts, possibly due to the difficulty of teaching them. The largest percentage differences between the two countries exist for the concepts of exchange rates and trade, institutions of a capitalist economy, GDP, and economic systems. However, we believe that there may have been confusion on the part of both Romanian and U.S. teachers about the identification of at least some of the concepts. For example, Romanian teachers who teach about a transition economy would, in effect, be teaching about

different economic systems. And many U.S. teachers who indicated that they did not teach about GDP indicated that they did teach about economic growth, which generally refers to growth of GDP.

Table 2-B reports on the teaching methods used by economics teachers in Romania and in the U.S. Perhaps as expected, the Romanian teachers rely more heavily on lectures, discussions led by the teacher, and individual work than do the U.S. teachers. U.S. teachers, on the other hand, make more frequent use of small group work and simulations, although they also often use lectures, guided discussions, and individual work.

Table 2-C indicates how high school economics students are being assessed in Romania and in the U.S. Romanian students are more often evaluated on the basis of oral answers, and U.S. students are expected to respond more frequently to essay-type questions and complete more semester projects. A large majority of students in both countries are expected to solve problems and take multiple-choice tests.

The survey also asked teachers to assess how satisfied they are with their own teaching, and to indicate what could be done to improve economic education in their respective countries. Seventy-

two per cent of Romanian teachers indicated that they were satisfied with their teaching, compared with 94% of U.S. teachers. Dissatisfied Romanian teachers indicated that they needed more time to teach economics, that they wanted a revised curriculum and a new textbook, and that students lacked proper motivation. The most common suggestions to improve economic education were specific suggestions for reforming the curriculum and requests for more teacher training. The major cause of dissatisfaction among U.S. teachers was a lack of knowledge of economics. The most common suggestions for improving economic education in the U.S. were to provide more training for teachers and more time to teach the course.

Table 2: Results from Economic Education Survey

2-A. Concepts Taught in High School Economics Classes

	Romanian Teachers % Responding Yes (n=63)	U.S. Teachers % Responding Yes (n=53)
Scarcity	100%	98%
Opportunity cost	100%	96%
Productivity	100%	89%
Economic systems	67%	96%
Institutions of a capitalist economy, including incentives	62%	100%

Specialization, exchange, and interdependence	100%	83%
Markets and prices	100%	98%
Supply and demand	100%	98%
Market structure	100%	87%
Profits	100%	89%
Market failure	43%	60%
Economic functions of government	100%	91%
GDP	95%	60%
Aggregate supply and demand	72%	64%
Unemployment	100%	83%
Inflation	100%	94%
Monetary policy	90%	91%
Fiscal policy	90%	93%

Comparative advantage	52%	68%
Exchange rates and trade	100%	60%
Economic growth	62%	81%
Teach all concepts listed above	24%	21%

**2-B Teaching Methods Used in
High School Economics Classes**

METHOD:	Romanian Teachers % Responding Yes (n-63)	U.S. Teachers % Responding Yes (n-53)
Lecture	Use often: 90% Use, not often 10% Use seldom/do not use: -	Use often: 60% Use, not often 38% Use seldom/do not use: 2%
Guided discussions	Use often: 81% Use, not often 19% Use seldom/do not use: -	Use often: 70% Use, not often 28% Use seldom/do not use: 2%
Individual work	Use often: 90% Use, not often 10% Use seldom/do not use: -	Use often: 57% Use, not often 32% Use seldom/do not use: 11%
Small group work	Use often: 19% Use, not often 66%	Use often: 57% Use, not often 38%

	Use seldom/do not use: 15%	Use seldom/do not use: 6%
Games/simulations	Use often: 4% Use, not often 52% Use seldom/do not use: 44%	Use often: 43% Use, not often 47% Use seldom/do not use: 10%
Role play	Use often: 4% Use, not often 43% Use seldom/do not use: 53%	Use often: 19% Use, not often 36% Use seldom/do not use: 42%
Use graphs	Yes: 86% No: 14%	Yes: 98% No: 2%

**2-C. Assessment Methods Used in
High School Economics Classes**

METHOD:	Romanian Teachers % Responding Yes (n-63)	U.S. Teachers % Responding Yes (n-53)
Call on students in class	86%	55%
Students solve problems	86%	81%
Multiple choice tests	90%	87%
Essay questions	62%	76%
Portfolios or projects	38%	62%

Summary and conclusion

The perhaps surprising conclusion of this paper is that in most areas, the high school economics courses in Romania and the

U.S. are much more alike than they are different. The required content of the Romanian course overlaps the voluntary national standards in the U.S., reflected in many states= required curricula. The courses meet for a similar number of hours and are directed toward students of a similar age. Teachers surveyed indicated that the concepts they teach, the teaching methods used, and the assessment methods used are similar in many respects in both countries.

As the people of Romania come to understand and believe in market theories and reforms, the probability that these reforms will be successful and persist is likely increased. Through this process, the economic education of today=s high school students in Romania may help to achieve future economic health of the economy.

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Index of Economic Freedom. The Heritage Foundation, Washington, DC
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Thus, Romania has the highest level of this indicator in the European Union (18.6% in 2016), while the mean in European Union decreased to 10.7%. The former communist countries have lower levels or approximately the same level with the EU mean value (Fig. 3). [Open image in new window.](#) Fig. 3. The rate of early school leavers (18–24 years), by residence, in 2016. Source: Eurostat, variable `edat_lfse_30`. Education - Education - Education under communism: The communist revolution aimed at being total revolution, demanding no less than the establishing of a new society radically different from what the orthodox communists called the feudal society of traditional China. This new society called for people with new loyalties, new motivations, and new concepts of individual and group life. Post-Mao education. After Mao's death on Sept. 9, 1976, the new leaders lost no time in announcing a turnabout of ideological-political emphasis from revolution to development. They decreed that all effort should be directed toward "the four modernizations" (industry, agriculture, national defense, and science and technology). Economic education in US TOP-90 schools, colleges and universities is a great step towards successful international career. U.S. High School Economics Education. University Education in America for international students. TOP-10 US universities of economics: QS World University-2018 ranking. Today, US schools, colleges and universities are the most popular among foreign students from all over the world. SMAPSE offers TOP-90 schools, colleges and universities in the USA where international students can get advanced economic education. Economic education in US TOP-90 schools, colleges and universities is a great step towards successful international career. The status and content of high school economic education. During the communist era in Romania, high school students were required to study economics in the eleventh grade for two hours per week. High school students are required to take an economics course for two hours a week in eleventh grade, and the curriculum is mandated by MNE. However, a look at the content of the existing national economics curriculum in Table 1-A reveals a notable lack of Marxism (or philosophy in general) and an apparent emphasis on markets, productivity, profit, and international trade. It is interesting to contrast the situation in Romania with that in existence in the United States. This assessment of high school economics in the United States covers seven topics: enrollments in courses; course content; the testing of students; achievement in economics courses; economics instruction in related courses; teacher preparation for economics instruction; and the contributions from organizations and economists. Significant improvements are found in the teaching, content, and testing of high school economics over the past two decades, but more work is needed because a formal course in economics is taken by less than half of high school graduates. U.S. High Schools. William B. Walstad. The best and perhaps only opportunity for improving the economic understanding of all youth occurs in high school. After all, only about 63 percent.