

Role of Language in Economics Learning

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Abstract

For making learning effective a combination of appropriate pedagogy and technology is essential. But another pre requisite for effective learning is use of appropriate language, because it is language which bridges the gap between the teacher and the learner. By language we mean the communication skill. So teachers and learners must be conversant in the basic language skill. But other than this each subject has got its own language. For effective communication subject specific language needs to be mastered by concerned subject teachers. This paper delves into this aspect of effective learning in the context of Economics. It tries to make the teachers understand the importance of language in teaching of Economics. It also studies the uniqueness of the language of Economics and views language development in Economics in its historical perspective. It suggests activities that will enable Economics teachers to enhance their language proficiency and communication skills.

KEYWORDS- Construction of knowledge, Communicative competence, Level appropriate language, Terminologies in Economics

The 'National Curriculum Framework-2005' recognises language proficiency and communicative competence of teachers in a constructivist setting as a basic component of teacher training programme. In constructivist pedagogy, child is supposed to be engaged actively through the process of enquiry, exploration, questioning, debates, application and reflection, leading to construction of new ideas, positions and each such activity requires use of appropriate language or communication skills. Language is the medium through which most knowledge is constructed. Learning a subject means learning the terminology, understanding the concepts, and being able to discuss and write about them critically. It can be said that all teaching is in a sense language teaching. Language is the medium through which a teacher conveys the meaning of different concepts; make the students understand different ideas, sense different values and norms of the society in different contexts. Hymes (1972) advanced the notions of "competence" and "performance" introduced by Chomsky in the 1960s and stated that the goal of language teaching was to develop "communicative competence", which implied acquiring both an ability and knowledge to use language. The way in which children learn languages illustrates sociolinguistic competence. Children learn to communicate through socialisation in their surroundings. By means of various interactions with the external world, by learning family and social values, norms, conditions, culture, even the economic and political situation, a child develops its identity, as well as the world view of the individual. Class room activities planned by a teacher must take cognizance of this view. Teacher has to make the language of communication simpler, easier and level appropriate for making classroom activities more participatory. Each subject has a

language of its own. Economics too has its own language. A teacher of Economics must recognise the uniqueness of this language for communicating the subject properly to the children while at the same time linking it to the socio-linguistic behaviour of the children.

Objectives:

Objectives of this module are:

1. To make the teachers understand the importance of language in teaching of Economics.
2. To study the uniqueness of the language of Economics and to view language development in Economics in its historical perspective.
3. To suggest activities that will enable Economics teachers to enhance their language proficiency and communication skills.

Economics and its language:-

Economics as a component of Social Sciences concerns itself with description, explanation, and prediction in the social world. It deals with hypotheses that are about human behaviour in collective living, and its validation finally depends on the observations made in the society. Quite unlike natural sciences Social sciences are governed by reasons, while nature is governed by cause and effect. But Economics is closer to natural sciences in the sense that it also tries to establish cause and effect relationship. Second, the findings of economics as a social science often raises issues of ethics and desirability, while ethical questions arise in natural sciences only when it enters into the domain of human action.

Economics is the social science that studies economic activity to gain an understanding of the processes that govern the production, distribution, and consumption of goods and services in an economy. Economics focuses on the behaviour and interactions of economic agents and how economies work. Consistent with this focus, primary textbooks often distinguish between microeconomics and macroeconomics. Microeconomics examines the behaviour of basic elements in the economy, including individual agents and markets their interactions, and the outcomes of interactions. Individual agents may include, for example, households, firms, buyers, and sellers. Macroeconomics analyses the entire economy (meaning aggregated production, consumption, savings, and investment) and issues affecting it, including unemployment of resources (labour, capital, and land), inflation, economic growth, and the public policies that address these issues (monetary, fiscal, and other policies).

Other broad distinctions within economics include those between positive economics, describing "what is," and normative economics, advocating "what ought to be"; between economic theory and applied economics; between rational and behavioural economics; and between mainstream economics (more "orthodox" and dealing with the "rationality-individualism-equilibrium nexus") and heterodox economics (more "radical" and dealing

with the "institutions-history-social structure nexus"). Behavioural economics and the related field, behavioural finance, study the effects of psychological, social, cognitive, and emotional factors on the economic decisions of individuals and institutions and the consequences for market prices, returns, and the resource allocation. Behavioural economics is primarily concerned with the bounds of rationality of economic agents. Behavioural models typically integrate insights from psychology, neuroscience and microeconomic theory; in so doing, these behavioural models cover a range of concepts, methods, and fields. Behavioural economics is sometimes discussed as an alternative to neoclassical economics. Mainstream economics may be called *orthodox* or *conventional* economics by its critics. Alternatively, mainstream economics deals with the "rationality-individualism-equilibrium nexus" and heterodox economics is more "radical" in dealing with the "institutions-history-social structure nexus". Mainstream economists sometimes assert that heterodox economics has little or no influence on the vast majority of academic economists in the English speaking world. Heterodox schools of economics are also usually dismissed as "fringe" and "irrelevant" by prominent mainstream economists.

The scope and subject matter of Economics has been expanding over time. Economics is now-a-days used as an instrument of social welfare. It is used to measure sustainability of various developmental measures. Along with the expansion of the subject matter of Economics the methodology of Economics is undergoing change as well. One of the controversies in Economics refers to the kind of methods to be adopted to discover generalisations and theories about the relationship between economic variables. Economists have adopted both deductive and inductive methods/language of reasoning. Recently econometrics, that is, application of statistical methods/language has gained much popularity among economists. Equilibrium analysis is another method which is used to explain economic theories now –a –days. The other aspect of the method of economic analysis is whether it should be of the nature of statics, comparative statics or dynamics.

The variables/terminologies with which Economists are usually concerned are prices, quantity demanded and supplied, the money supply, national income, employment, wages, profits etc. In Economics the functional languages used are assumptions, definitions, descriptions explanations, argumentations, predictions etc. Every theory is based upon a set of assumptions often called premises or postulates. Some assumptions are taken merely to simplify the analysis though they may not be entirely realistic. In Economics the assumptions may be entirely behavioural, that is relating to the behaviour of economic variables or they may be technological pertaining to the production technology and the availability of productive factors. Some of these assumptions may be highly unrealistic. For example while analysing consumer's behaviour in the market with the help of laws like law of diminishing marginal utility or equi-marginal utility we first of all make a few assumptions. These are cardinal measurability of utility, independence of utilities, constancy of marginal utility of money etc. which are highly unrealistic assumptions. Similarly while discussing law of variable proportions or returns to scale we make many unrealistic assumptions like constancy of technology. From the assumptions or postulates some implications or conclusions are deduced through logical process of reasoning. The process of logical deduction to discover relevant conclusions from a set of

definitions and assumptions is carried out either in words or in the language of symbolic logic or it may be done with the aid of geometry or more formal mathematics. It is these conclusions drawn from the assumptions through deductive logic which are called hypotheses. If the prediction based on a hypothesis are refuted by the direct observation of actual facts or through the statistical methods of interpreting actual facts, a hypothesis stands rejected. If on testing, the predictions based on a given hypothesis are proved correct, it stands established as a scientific theory. For instance the quantity demanded varies inversely with price is one of the important economic hypotheses established in economics. If a sales tax is imposed on a commodity and as a result the price of the commodity rises, the prediction will be that the quantity demanded will decline other things remaining constant. This has not been falsified and in fact has been corroborated by the facts of the real world. So the crucial test of a hypothesis or theory should not be criticised simply because assumptions it makes are unrealistic. The deductive approach to establish economic generalisations was extensively used by classical and Neo-classical economist such as Ricardo, Malthus Sr., J.S.Mill, Marx, Marshall and Pigou. It still remains popular with modern economists. The use of deductive logic in deriving economic generalisations however requires the use of a high level competence in logic and theoretical abstraction. A good deal of care and objectivity is required to avoid bad logic or faulty economic reasoning. Prof. Blaug rightly opines, "it is perfectly true that economists have often deceived themselves and their readers by engaging in what Leontief once called economic theorising presenting tautologies in the guise of substantive contributions to economic knowledge". If sound and valid economic generalisations are to be established, economists must dissociate themselves from normative preconceptions and biases in their logical process of deducing valid economic generalisations. Further a great demerit of deductive approach is that with its highly sophisticated theoretical models based on highly irrelevant unrealistic assumptions may be developed which do not have any operational significance. Such models are no more than mere intellectual toys. Inductive logic otherwise known as empirical method is used in Economics to derive generalisations on the basis of experimentation and observations. Experimentation, that is the use of controlled experiments, is of limited applicability in Economics. Because economics deals with human beings whose behaviour is unpredictable quite unlike natural objects. Some of the recent researches in the field of macroeconomics like, consumption function, investment function etc. have been obtained with the help of inductive logic. However inductive logic need to be supported by deductive logic for generalisation.

Theories can become self-fulfilling because they provide a language for comprehending the world. Language affects what people see, how they see it, and the social categories and descriptors they use to interpret their reality. It shapes what people notice and ignore and what they believe is and is not important (Pondy, 1978; Weick, 1979). In this sense, reality is socially constructed (Berger & Luckmann, 1966) and language plays an important role in such constructions. As Eccles and Nohria put it, "The way people talk about the world has everything to do with the way the world is ultimately understood and acted in" (1992: 29). Theories become self-fulfilling when the language and assumptions they promulgate affect how individuals see and understand themselves and their world. The fundamental ideas of economics have always dominated the social science discourse.

The core ideas of economics - the concepts that are typically engaged in empirical research have changed from mercantilist literature to modern literature and have dominated the social science discourses all along. Economists are also very influential in matters of policy making and institutional design. In the United States, for example, the President has the Council of Economic Advisers; there is no corresponding council for any other social science, even though other disciplines are pertinent to such social problems as welfare, work, criminology, and global affairs. Economic ideas were critical in shaping the government response to the Depression of the 1930s and in the neoliberal revolution of the 1980s (Blyth, 2002). Modern microeconomic theory has been used to design auctions, organize markets, guide privatization efforts, and lead the post socialist transition of Eastern Europe (McMillan, 2003; Milgrom, 2004; Roth, 2002). But most difficult problem confronting economists is using ordinary language—verbal and mathematical--in getting to know what the economy is all about. Language may communicate nothing or a little or much about what the economy is all about, or it may communicate error or mislead, at either the ontological or experiential levels. Words used in economics may not always convey the literal meaning. To understand the words, the context in which the words are used are to be known. ...While Mills's (1940) classic paper on vocabularies of motive (a word he borrowed from Burke) is perhaps the most influential citation to organizational theory accounts of vocabularies (Alvesson, 2000; Ferraro, Pfeffer, & Sutton, 2005; Meyer & Rowan, 1977), Mills' (1939) less recognized work on “Language, Logic, and Culture” provides a more distinct and developed cultural approach to guide our understanding of how vocabularies shape organizations and institutional fields (e.g., Loewenstein & Ocasio, 2003; Ocasio & Joseph, 2005)...

Definitions: In Economics definitions are often used to explain the meaning of different concepts. Definitions not only define words, when the words are used they define the world for us and that definition may mislead or completely define the world. Few examples from Micro-Economics and Political Economy have been taken here to explain the need for an appropriate definition to concepts or terminologies in the absence of which these would convey a wrong meaning in Economics.

Example 1: The concept of equilibrium is often used in the fields of price, income and growth. Word equilibrium means a state of balance. When two opposing forces working on an object are in balance so that the object is held still, the object is said to be in equilibrium. But an economic system is said to be in equilibrium when the various important variables in it show no change, and there are no pressures or forces working which will cause any change in the values of important variables. Thus, by consumer's equilibrium we mean that in regard to the allocation of money expenditure among various goods the consumer has reached the state where he has no tendency to reallocate his money expenditure. Similarly a firm is said to be in equilibrium when it has no tendency either to increase or to contract its level of output. Likewise, the levels of income and employment in advanced capitalist countries are determined by their equilibrium levels at which aggregate demand is equal to aggregate supply. It may however, be pointed out that equilibrium in economic activities may never be realized in practice. But the importance of equilibrium analysis lies in the fact that if other things remain the same the economy would tend towards the equilibrium values. Before the final equilibrium is

reached changes occur in the determining factors so that the system tends to move towards new equilibrium values corresponding to the new changed conditions. This word is often used vaguely by learners of economics.

Example 2: Consider the use of the word "corporation." Unless one knows that corporate stockholders have limited liability, one would not have any idea that the corporate form is a mode of socialized risk not unlike many elements of the welfare state.

Example 3: When a concept is explained in economics, it is explained in the context in which it is used. It will not convey any meaning if it is used elsewhere.

Absolute advantage: This is the simplest yardstick of economic performance. If one person, firm or country can produce more of something with the same amount of effort and resources, they have an absolute advantage over other producers. Being the best at something does not mean that doing that thing is the best way to use your scarce economic resources. The question of what to specialise in and how to maximise the benefits from international trade is best decided according to comparative advantage. Both absolute and comparative advantage may change significantly over time.

Example 4: Concepts sometimes demand a detail description of the philosophy behind it.

Advertising: Many firms advertise their goods or services, but are they wasting economic resources? Some economists reckon that advertising merely manipulates consumer tastes and creates desires that would not otherwise exist. By increasing product differentiation and encouraging brand loyalty advertising may make consumers less price sensitive, moving the market further from perfect competition towards imperfect competition (see monopolistic competition) and increasing the ability of firms to charge more than marginal cost. Heavy spending on advertising may also create a barrier to entry, as a firm entering the market would have to spend a lot on advertising too. However, some economists argue that advertising is economically valuable because it increases the flow of information in the economy and reduces the asymmetric information between the seller and the consumer. This intensifies competition, as consumers can be made aware quickly when there is a better deal on offer.

Example 5: Terms like "private," "public," "voluntary," "freedom," "coercion," "property," and the like are kaleidoscopic, subject to selective perception, given variable specification, often identified with the status quo somehow perceived, and often the point at issue.

Example 6: Sometimes metaphors are also used in economics. For example, we use a metaphor like invisible hand to define a concept like market. But we here do not say much of substance. Because market itself is a metaphor in the sense that there is a profound difference between (a) the pure abstract a-institutional market and (b) actual markets which are a function of the institutions/power structure which forms and operates through them.

Validity and Truth: A valid statement is one which follows from its premises, given the correct use of the system of logic. Truth is a matter of descriptive accuracy or correct explanation. A conclusion that is valid may or may not be true. It may or may not, even if true, say all that can and/or needs to be said about the object of inquiry. It is found that a conclusion which is necessarily only valid may not be true; may, even if true, not deal with important considerations; may be true only with regard to certain social space (data) and not others; and is often taken as true because it follows logically from its premises.

Is and Ought: A positive or "is" proposition is one which either (1) describes or explains, or (2) states what must be done in order to achieve a particular goal. A normative or "ought" proposition is one which either (1) affirms something as good or (2) affirms the desirability or goodness of seeking something. One can thus distinguish between positive and normative propositions in principle, but many statements in economics are blends of "is" and "ought" elements; and (c) one cannot properly move from an "is" proposition to an "ought" proposition without an additional normative, "ought" premise.

Optimality and the Role of Antecedent Normative

Premises: The term "optimality" is often used in economics to show maximization and minimization of sales, profit, resource allocation etc. But it is fraught with problems of nuance, definition, exclusion, and tautology. The desire for conclusions that can be designated optimal is driven by two motivations: (a) the desire to be, at least to be thought of as, scientific, with the supplementary understanding that a scientific conclusion must be singularly unique, a state of mind which is reinforced by the notion of equilibrium; and (b) the desire to have something important and persuasive to say about policy issues.

Necessity of Multiple Theories:

Use of Primitive Terms: Very often terms are used in a generic sense. "Property," "liberty," "coercion," and so on, are used as primitive terms with unspecified meaning. This allows the author to escape the questions of both substantive content and the mode of its determination, thereby begging a, if not the, important substantive question, leaving it to each reader to provide substantive content.

Criteria of Structure versus Criteria of Results: The interpretation and evaluation of developments can be undertaken on two bases. One involves criteria of structure, such that given an agreed-upon structure, any policy result there from is considered apriori acceptable. The other involves criteria of results, such that any structure is evaluated on the basis of how well it achieves the desired policy result(s). Different structures, e.g., of laws, will tend to generate different results, e.g., different Pareto-optimal outcomes. One fundamental question is, whose criteria of structure and/or of results will become operative as results are worked out?

The gist of the above is that in every respect the results in the real world must be worked out. They cannot be specified in advance by an analyst without introducing implicit

antecedent assumptions as to whose interests are to count, thereby substituting the perceptions and/or preferences of the analyst for those of actual economic actors and foreclosing and/or channeling the operation of actual economic structures and processes.

There are, no doubt, as Lord Cromer recently had occasion to remark, "some few economic and currency questions which are abstruse, but the difficulty of understanding even these has been in no small degree increased by the cloud of words with which writers on subjects of this sort often surround issues in themselves simple." The obscurity with which he charges our exponents of economic theory is comparatively speaking a new phenomenon. No one of ordinary education could seriously mistake Adam Smith's meaning; and Mill, except here and there, was reasonably explicit and comprehensible. During the later years of the nineteenth century, however, a different state of things has happened. It began in England with the publication of Jevons' Theory of Political Economy, followed, by the acclimatization in England of the works of the German writers known as the Austrian school. Since that period the science has become more and more encumbered with a mass of phraseology altogether unknown to our forefathers. We now hear of disutilities, discommodities, negative values, quasi-rents, consumers' rents, and beyond and above all of marginal utilities, marginal productivities, marginal demand prices, marginal supply prices and so on. So much, indeed, we hear of concepts like 'marginal'. The general result is that it is becoming impossible even to commence the study of the subject without months or years of preliminary work devoted to the acquirement of an acquaintance with the terminology.

In an endeavor to get at the true significance of the teachings of the new school we can glance at their much-exploited conception of the "margin." The margin is merely the point or waving line where the change is taking place. The field in which the neo-classical school enjoyed so much popularity and claimed victory over classical school was marginal analysis. Marginal analysis is based on the simple logic of decision making, i.e. an action will be performed. Marginal analysis lays down the necessary and sufficient conditions which must be fulfilled if the scarce resources are to be optimally allocated. The marginal reasoning gave mathematics a prominent place in economic analysis. In fact marginal analysis is closely related to differential calculus. It made its first appearance in economics in the formulation of Ricardo's law of rent. Marginal land which will return the costs of cultivation and yield normal profits to the farmer, but which will afford no surplus available for rent; and of the marginal doses of capital and labor applied to any land, in regard to which the same statements may be said to hold good. But even these theorists cannot show us any actual piece of land that is marginal or any specimen of work going on any farm that involves just the marginal dose of expenditure. Asking any farmer he will probably answer: "I can enlighten you on that point if you will tell me what the coming season will be like, and what next year's prices for wheat will be. As things stand," he may add, "if the price of wheat is over thirty rupees a quarter all the work that you see going on will most likely pay me well ; if the price is down to twenty-five rupees a good deal of it will be done at a dead loss." It is clear, indeed, that, in order that it should be possible for us to lay our fingers on any individual specimens of marginal land or of marginal doses of expenditure, we should have to know, among other things, what next year's prices for produce will be. So long as this knowledge is out of our reach, so long will things marginal likewise be for us in cognizable. Here is one, for

example, from Professor Marshall's Principles of Economics. "When a new country is first settled," he remarks, "and land is free, immigration proceeds up to the margin at which the pioneers' endurance is just rewarded." This point he calls "the margin of immigration." Referring to the statement in regard to it quoted above, suppose we were to ask the writer: How do you know all this, that "when a new country is first settled and land is free, immigration proceeds up to the margin at which the pioneers' endurance is just rewarded" His answer would necessarily be this, that there must be a point or zone somewhere which settlement has for the moment reached, and beyond which lies at present the unoccupied wilderness; and further that if this point were not the point at which the pioneers' endurance was just rewarded, settlement would either have advanced farther or would not have advanced so far. Of course there must always be some stage which development of any sort has at a given moment reached, and perhaps you may if you please call this stage "the margin;" but language is ordinarily used to communicate information and such a use of it communicates none at all. If, in economics, sometimes it appears that these are elusive phantasms that can be converted into the subject of elaborate discussions.

Strategies:

Various strategies may be adopted by teachers in and outside the classroom to make students use appropriate language for understanding a subject like economics.

1. Learners learn a language through using it to communicate. Learners must be motivated to read, speak and write. Reading texts other than the text book and reference enhances language competence of students. Study of biographies, stories, essays, poems etc. enriches vocabulary of students. Language competence developed through study of other texts helps in communicating the subject in a better way. Academic language used in the books can be comprehended properly after acquisition of language competence by learners. Teachers must motivate learners to go beyond the text book for maintaining and sustaining interest among the learners for learning. Students must be motivated to speak in the class as well. Varieties of methods may be adopted by the teachers for enabling students to speak. Besides frequent interaction with students at every stage of learning, specific methods like project based learning, supervised study, cooperative learning, team teaching, seminar, workshop, role play, dramatization, story-telling, argumentation, etc. may be adopted at the secondary stage. These activities will empower students to improve even their writing skill.
2. Authentic and meaningful communication should be the goal of classroom activities. For making communication meaningful, varieties of learning resources both for learners and teachers may be used.

For students:

Work book or desk work
Supplementary reading material
Source book
Programmed instructional material

General reference materials like encyclopaedia, dictionaries, etc.
Advanced books on the subject

For teachers:

Syllabus
Teacher's handbook or guide
Teacher's edition of text books
Advanced books on the subject

3. Fluency is an important dimension of communication. Knowledge of basic structure of language is a prerequisite for effective communication. Knowledge of glossary of economics is essential for meaningful communication.
4. Learning is a process of creative construction and involves trial and error.

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