

## ENVIRONMENTAL DIMENSIONS OF ECONOMIC EDUCATION

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I appreciate the opportunity to share new ideas in this forum; its program and presentations have been very informative. The focus of this presentation will be on education, and more specifically, the standpoint of environmental and economic education in the United States. From this conference the conclusion may be drawn that the same dimensions apply also to Europe. A great deal of progress has been made in the field of economic and business education, as well as in environmental education. However, these two areas have long been separated, because of the way they have been approached.

In the United States environmental education has been successful in teaching science and appreciation for nature, as well as in practical ways, such as teaching recycling in elementary and secondary schools.

Progress in both environmental and business-economic education is relatively new for American education. Economic and business education are both new, at elementary and secondary levels and students have now learned about how the economy works. However, a major concern is that economic, business, and environmental education at these elementary and secondary levels seldom cross paths. Ironically, almost the same problem applies to university education. Designers of economic systems such as Adam Smith, Karl Marx and others, can be envisaged thinking: "here are the challenges of economic systems; here are the kinds of things we have to do". But they neglected to consider one thing; when consumers and producers make decisions, significant costs of those decisions are borne by people who were not associated with making them. That is why pollution problems exist. Particular attention needs to be paid to this consideration, since it leads to a recommendation for the education which is necessary for pollution-prevention, the title of today's discussion.

Why cannot a new ethic be created and taught to all? It would consist of living with, and being sensitive to, the possible damage caused to the environment by our production and consumption decisions. Expanding and teaching this ethic is a necessary step. It will certainly work, and may halt the most grievous single acts of damage, particularly if supported by the media. It can be enforced by reviewing, grading, and commenting on, ethical violations. But solving individual problems is not enough. Even if this ethic is believed in, one single action on the part of one consumer or producer may do nothing. It may neither solve the dilemma, nor make any significant difference to the amount of damage done. No matter how strong the belief is in this ethic, there is still a possibility that the problem will continue to exist.

The second problem is that this ethic may not be as simple as a rule which says: "do not steal," or "do not murder." Since very few people steal or murder, it is easy to teach this ethic. However, it is much more difficult to teach an ethic concerning what "a wrong action" is, to producers and consumers engaged in activities contributing only marginally to pollution problems.

Thirdly, the cost of pollution is imposed by unknown people who could be far away from it and may not even care. This ethic may not be shared by neighbors, family, or community, who might not even know that they harm others. Finally, even if a producer believes in this ethic and does something to stop pollution, competitors may seize the opportunity to take away his business. That is a significant challenge in today's very competitive world.

Producers and consumers are to blame, not only polluters; these are the rules of the game. The causes of any environmental problem about which something can be done, are economic in nature. The prevention and solution of environmental problems means changing the whole economic system. The long-range solution is to make changes in the elementary, secondary and university educational system, by helping students to understand the connection between the environment and the economic system. The study of the environment must include an evaluation of the costs associated with changes in the way business is done, and the cost of pollution reduction and pollution prevention.

Students in the fields of economics and business need to realize that the existing rules still allow companies to pollute. The rules must be changed, if pollution is to be reduced. The goal, in making these comments, should be to lower the volume and the noise of debate, while raising the level of knowledge and expertise and thereby creating effective solutions.

Through educating people about the causes of environmental problems, an approach to solutions may be more easily formulated. Education raises the sensitivity of businesses, removes defensiveness and, in modern terms, "levels the soccer field". Two things can be achieved as a result of education: firstly, a change in the rules by which businesses and consumers play; secondly, the creation of international pressure to apply similar regulations to activities where they have not yet been applied. In order to accomplish these goals, in both the United States and Europe, there is a real need to merge economic and business education, at all levels, with environmental education.

A good example is the rather sophisticated system of trading, or selling, pollution rights which the Chicago Board of Trade has begun to develop in the United States. Because of the pollution it is assumed to create, the system of trading rights is heavily criticized by many experts on environmental issues. Primarily, it is viewed as a way of selling, granting or giving, the right to pollute to individuals and individual companies. Essentially, it should serve as a method to be used very efficiently in order to reduce or prevent pollution.

Economics and business studies largely ignore environmental studies. Environmental studies largely ignore economic studies. In the short run, bringing these together will make a difference. For example, in the United States elementary students have often shamed their parents after learning about recycling. Perhaps this is one of the most effective parent - student interactions ever known in education. In my own community, we have a law that requires the extremely careful separation of trash. Separate bags have to be used and delivered to the trash collector. This law would by no means have been accepted in the adult community without tremendous pressure from the children, who had learned about recycling in school.

In the long run, however, pressure must be put on the system. It must be applied to business and environmental education in order to bring these two disciplines together. Without a change in the system there cannot be significant and sustainable change in pollution prevention. The system, in turn, cannot be changed without a significant change in the way our children are educated about economics and the environment.

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Dr. **Stephen Buckles** is currently the Chief Executive Officer of the National Council on Economic Education in America. His responsibilities include coordinating the activities of 260 university centers for economic education, and monitoring the nation-wide network of state councils that provide financial support, working closely with seventy trustees, who are leaders in business, labor and education. He guides the publication of an extensive array of educational materials and recently implemented a major education program in the former Soviet Union. He currently serves as Chairman of the Individual Investors Advisory Committee of the New York Stock Exchange, he is on the Executive Committee of the Board of Trustees of the Alliance for Environmental Education and also on the New York City Economic Advisory Committee. His earlier posts have included: Associate Professor, Department of Economics, University of Missouri; visiting Associate Professor, Owen Graduate School of Management, Vanderbilt University; Associate to the College and University Program, Joint Council on Economic Education, and Academic Director of the Davenport Fellowship Program for Business and Financial Reporters. He was elected President of the National Association of Economic Educators and later served as that group's representative on the Executive Committee of the Board of Trustees of the National Council on Economic Education. He has received the John C. Schramm Leadership Award from the National Association of Economic Educators; the University of Missouri College of Arts and Science Award for excellent teaching, and a university-wide award as the Outstanding Faculty Member.