
ECONOMICS

Making Oreo's relevant.

Twice each week, semester after semester, approximately 500 undergraduates file noisily into Dale Hall 200, settle into theater style seats, prop notebooks on their knees and turn rapt attention to a youthful, sandy-haired professor whose topic could be the supply and demand of football tickets.

Directly across the lobby, in Dale 211, the scene is duplicated by 400 more students in a large group setting dominated by a lanky, bearded dynamo who looks like Abe Lincoln and talks like Alan Alda. He has been known to lecture on Oreo cookies.

William M. "Will" Clark and Alexander B. "Lex" Holmes are high on the classroom popularity charts at the University of Oklahoma — not because they offer snap courses to the masses, but because they have transformed the once-dreaded subject of economics into an exercise in relevancy.

The student/teacher ratio in these fast-paced sessions leaves little room for give and take; that comes later in the week in smaller discussion sections. Class size, however, is not a handicap in introductory economics but rather a conscious attempt to expose the largest possible number of students to master teachers.

The large group arrangement is part of an assault on economic illiteracy being led by the faculty chairman of the division, Alex J. Kondonassis, a David Ross Boyd professor who has won enough teaching awards to recognize a master when he sees one.

By CAROL J. BURR

"The reason for discussing economic issues is not to inspire a national passion for bookkeeping but to inspire a national awareness of the connection between economic and political freedom."

— William E. Simon
A Time for Truth

When Kondonassis resumed the chairmanship in 1979 (he had served for 10 years in the 1960s), he was disturbed by the lack of emphasis on introductory level instruction, in the two courses in the principles of macro and microeconomics and in economic history, the courses that involve a very high percentage of non-economics majors.

"We were assigning too many teaching assistants," the Greek-born Kondonassis recalls. "Many were foreign-born — not that there's anything wrong with that. I'm foreign-born, too. But many of them had trouble communicating."

By going to the large-group format, Kondonassis could give the division's graduate assistants more seasoning before assigning them to solo teaching duties. He also was giving Assistant Professor Clark and Associate Professor Holmes the opportunity to prove how good they really are.

Clark credits his graduate school experience at the University of Virginia, watching nationally acclaimed

teacher Kenneth Elzinga with awakening him to the possibilities in large-group instruction.

"He would go over and over the most important points but always from a different angle with a different illustration," Clark explains. "It was almost like a night club show. He was talking about serious things, but his timing was perfect, and his humor was really funny. He was the best I've ever seen. I hope that some of that rubbed off on me."

Some members of his profession look down on this teaching style, Clark admits. "They say, 'Oh, this is a song-and-dance man,' but neither Holmes nor I sacrifice content for showmanship. However, if it comes to it," he adds quickly, "I'll do a little song and dance to regain the students' attention."

Kondonassis sees nothing wrong with playing to the crowd in introductory courses and disagrees with professors who refuse any compromise in clarifying economics for non-majors.

"Too many students feel that economics is uninteresting or just too hard," he contends. "Economics majors will cut through the hard part and go on to more advanced courses. But most of the students in the principles courses aren't looking for any more economics. You ought to simplify a little bit for them."

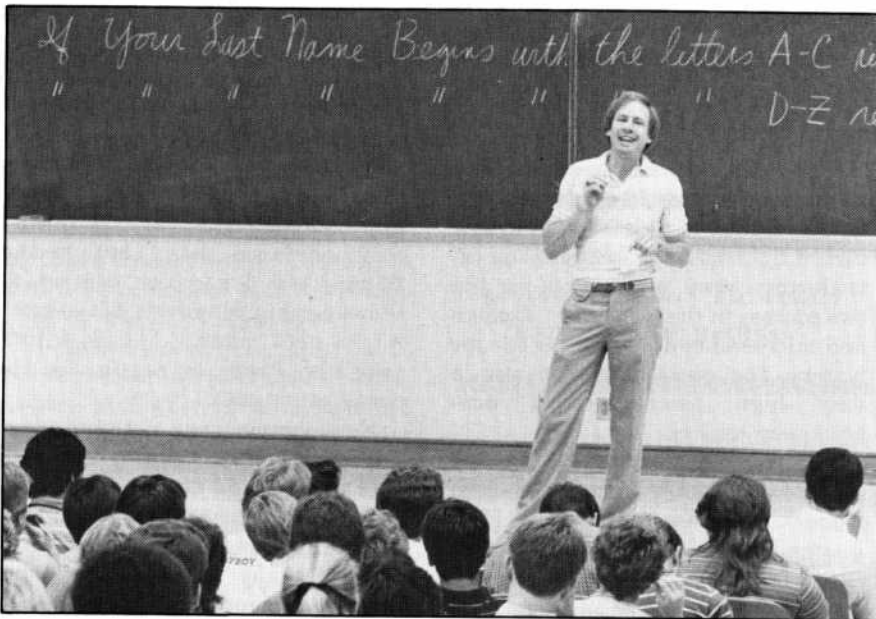
In his specialty of microeconomics, Holmes relates the shorter term, day-to-day economic issues to the always-empty student pocketbook.

"In my lecture the other day to 370

students," he illustrates, "I picked somebody right out of the tenth row and said, 'You! What did you buy at the grocery store yesterday?' Oreos cookies. So we talked about Oreos. There's nothing very special about what economists do. You go to the grocery store, and you buy Oreos or Chips Ahoy. Deciding how many of each to buy — that's economics."

Clark uses the same technique in dealing with the larger economic issues in his macroeconomics course — how inflation affects tuition and the price of stereos and cars — how unemployment affects chances of getting a job in the spring.

"The classic textbook examples of supply and demand are the minimum wage laws," he says, "but I invariably get a bigger response in my classes when I talk about supply and demand in terms of football tickets, where the face value is really meaningless, and market price is determined by scalpers and people who want to buy. Now *that* students can relate to."



Making economic issues relevant to nearly 500 students in his macroeconomics class requires large-group teaching skills which are Will Clark's specialty.

Minimizing economic jargon in teaching at the basic level is difficult for economists who go through a semi-Talmudic training period of reading nothing but economics and talking exclusively to economists.

"After three or four years," Clark says, "all we can say is 'marginal rev-

enue product' and 'elasticity of demand.' Economists know exactly what you're talking about, but the layman doesn't know or care."

Kondonassis sees the jargon problem as an element in a nationwide economic illiteracy, which is a hindrance to responsible citizenship. He would like to sell the State Regents for Higher Education on economics as a requirement for graduation from college in the same category with U.S. history and government.

"Television and the newspapers have a great influence, because many citizens don't fully understand what is going on economically," Kondonassis contends. "If you don't know any better, you just have to take the reporters at their word, which may or may not be economically sound."

"A politician can present any set of facts in a variety of ways. He can say, 'Good people, while I was in power, the GNP increased by 10 percent.' If you know what the Gross National Product is, if you can make the dis-

inction between 'real' and 'monetary' GNP, you can say, 'OK, so it increased 10 percent. Now, let me look at inflation — up 12 percent — in other words, negative growth.' Those are simple things; they're not particularly complicated, provided some critical thinking is applied."

The major objective of the OU economists in the principles courses is to give students enough information to read the newspaper or watch the evening news and be able to evaluate critically the economic stories that bombard them.

"I know that sometimes 'theory' glazes people's eyes," Clark says, "but you have to have a certain theoretical background. Once you master theory, you are capable of analyzing a lot of different situations."

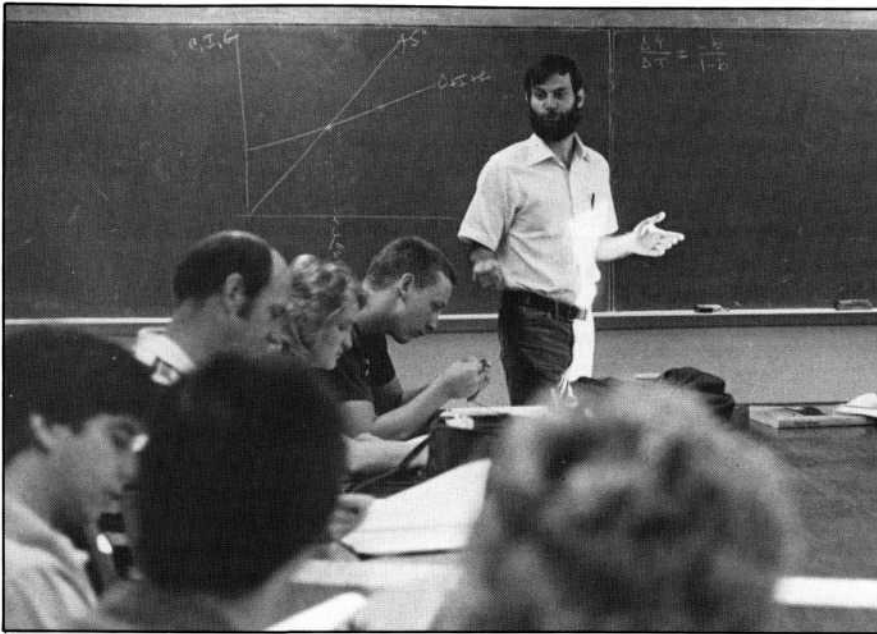
"You are a better citizen if you read critically," Holmes adds. "You don't have to be cynical — that's different from being critical — but you just can't believe everything that comes down the pike. You have to see the issue from incentives. Who has the incentive to say this or do that? If this policy comes about, who is the winner, and who is the loser?"

While most OU undergraduates terminate their economics training at the introductory level, an increasing number of non-majors are going on to more advanced courses with a faculty possessing impressive teaching and research credentials in a wide range of specialties. Total credit hour enrollment this fall of 10,550 is up nearly 300 credit hours from 1982.

J. Kirker Stephens, who, along with his fellow economics professor Eden Yu, has received the OU Regents award for superior research and creative activity, sees two major reasons for the enrollment increase — an upsurge in all areas of business administration as a major and a heightened awareness by engineering majors and their advisers of the importance of economics to complement their technical training.

Assistant Professor Michael Mueller, a natural resource economist, agrees. "When we get an engineer, he is a very good, a very bright student."

Mueller's colleague in energy economics, Professor Donald A. Murry, believes that economists can make an important contribution to the education of engineers. "The sort of things economists are interested in are the sort of things industrial executives are interested in, but the people in the production departments are not. We tend to pick up engineers if they are upward mobile, if they are going on to advanced degrees — or if they



In addition to his large-group microeconomics class, Lex Holmes teaches a section of honors students which he calls a "very bright, hard-charging group."

want to broaden their sights."

While the division of economics is heavily involved in providing service courses for majors from other departments — business, political science, fashion arts, engineering, journalism, education, as well as satisfying the arts and sciences social studies elective — its central task is to turn out skilled, employable economists for private business and industry and for federal and state governmental agencies.

Economics is unique in offering an undergraduate degree program in either business administration or in arts and sciences. On the master's degree level, students may follow the traditional, theoretical, research-oriented track, leading to the Ph.D., or they may elect a newer, terminal master's degree track along more practical lines. This second track, managerial economics, focuses on the application of economics to problem solving.

This fall the division has 150 undergraduate economics majors, 15 master's degree and 25 Ph.D. degree candidates. If they follow the tradition set by previous economics majors, these students will include some of the University's brightest graduates.

Each year economics boasts a large

number of honors graduates, both those who have completed a prescribed "honors program" and those who have followed the general curriculum with overall grade averages from 3.25 to 4.0. The 1981 Carl Albert Award to the outstanding senior in arts and sciences went to an economics major, while the outstanding seniors in both business and arts and sciences in 1982 were economics majors following different bachelor's degree tracks. From 1978 to 1982, four of the five regional finalists in the Rhodes scholarship competition have been OU economics majors.

The 150 economists who have earned Ph.D.s at OU are occupying academic positions in colleges and universities throughout the United States and abroad, in government agencies, private "think tanks" and in business and industry. For instance, Taiwan's chief economist and a former senior staff economist on the Council of Economic Advisers to the U.S. President both hold Ph.D. degrees in economics from OU.

One of the more recent developments in graduate study is the concentration in energy economics at both the master's and Ph.D. levels which is being conducted in conjunction with the programs of the new OU Energy Center. The concentration

utilizes the individual expertise of Murry, Mueller, Professor David A. Huettner and Assistant Professor Larry S. Eubanks in the economic evaluation of energy questions.

Murry specializes in policy questions, for instance, such as the short-term issue of whether a particular industry should buy coal or gas to produce heat for production purposes, and how that decision will influence pricing and marketability of the product. Mueller, on the other hand, deals with the use of scarce resources to meet needs of the population.

"A lot has been written," Mueller says, "about the limits of economic growth, that we are going to pollute ourselves to death. Those issues have been raised by environmentalists, not by economists. I try to provide economic analysis of those environmental questions."

Students in energy economics seek employment in both the private and public sectors. In energy industry planning departments, they are equipped to deal with project assessment, market structure, pricing, forecasting of demand and consumption, evaluation of governmental regulations, etc. On the public side, they can qualify for state and federal agencies in planning, forecasting and general staff work, writing and evaluating legislation and developing policy alternatives.

But no matter how expert they may become in their areas of specialization, the young economists are taught that sometimes it is very difficult to explain the analysis they have done to those who make the decisions.

"We try to explain to our students," Mueller cautions, "that sometimes economists don't have the theory or the data or the intelligence to come up with the economic answers to some questions. We have to teach them that economic values are not the only ones that are brought to bear in making decisions. There are political realities, distributional issues and societal value systems."

An elective energy concentration, which is taught by Murry, also is available in the MBA (Master of Business Administration) program, in addition to the required aggregate economics taught by Kondonassis.

"Frankly, there are a lot of MBAs

fresh out of college," Murry says, "and they tend to look alike. Those who have had the energy concentration do very well in the interviews. They aren't total virgins to the energy business. They have an edge."

Maintaining an edge is also a concern to those who already have jobs and feel a need to upgrade their academic training. Since returning to the campus is impractical in most instances, the economics division has developed the off-campus Advanced Program in Economics, leading to an MA, which has been hailed by the global student body for its high quality and innovative nature.

This non-resident, 32-credit-hour master's degree is offered in intensive, one-week sessions, each worth two credit hours. A majority of the 18-member economics teaching faculty has been involved in these adult education courses in places as close as Lawton, Oklahoma, and as distant as Dhahran, Saudi Arabia, where an especially strong program is under way for 100 at ARAMCO.

Closer to home, a privately funded OU program is promoting economic literacy among college students and the general population through discussion of public policy issues facing the American enterprise system. The Institute of American Enterprise was founded in 1980 with Holmes as director, Clark as assistant director and Kondonassis and Business Administration Dean Lawrence E. McKibbin rounding out the committee.

The most visible of the institute's activities is a fall debate on a specific public policy question between two eminent authorities, who also teach a two-day class for credit. Holmes takes pride in the academic integrity of the debates, which feature strong proponents on each side.

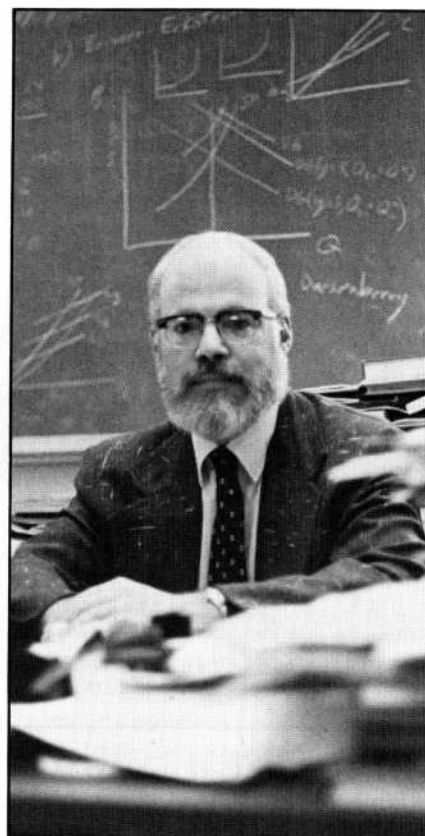
"If you don't put up a straw man," he insists, "nobody can complain about the results."

Two years ago the debate focused on environmental issues with Barry Commoner on one side and on the other side a noted government economic consultant, Ralph d'Arge. Last year the flat tax proposal was debated by one of its authors, Robert E. Hall of Stanford, and William D. Nordhaus, former chairman of the Council of Economic Advisers.

The institute also publishes a quarterly newsletter dealing in depth with public policy issues, which is the work of Associate Professor Marilyn K. Flowers, a specialist in public finance and public sector decision making.

The OU economists see the secondary public schools as the most obvious and most promising area for outreach programs in economic literacy. Kondonassis will go so far as to state that it is impossible to teach social studies today on any level — notably history, government and geography — without economic content. Unfortunately, however, education majors may avoid any exposure to economics simply by satisfying their social sciences requirements with a wide range of other subjects.

Stephens agrees that teacher preparation is often neglected. "Whether economics is taught as a separate course in high school or as a part of civics doesn't matter too much, but to do any good you have to have teachers who are themselves economically literate. We can help through in-service training, summer institutes and the like, outside the traditional on-campus, during-the-day, degree-seeking framework."



Kirker Stephens is one of two economists with regents' research awards.



Veteran division chairman Alex Kondonassis takes pride in the diversity of economic philosophies represented on the present 18-member teaching faculty.



Energy economists Don Murry, left, David Huettner, Michael Mueller and Larry Eubanks will interact with interdisciplinary programs in the Energy Center.

Promoting economic literacy through the Institute of American Enterprise has had one unexpected result. Holmes and Clark have become media personalities on local television newscasts as "economic analysts." Holmes is on call for commentaries on KWTU Channel 9 in Oklahoma City, while Clark appears on KTVY Channel 4's evening news, which is co-anchored by his wife, OU journalism alumna Linda Cavanaugh. They are encouraged that local stations would adopt this unusual practice out of concern for an accurate assessment of subjects that are sometimes misinterpreted by journalists.

"When people put out information (on public policy issues) that is wrong, it's not a conspiracy," Holmes contends. "They just don't know any better. Economists are not smarter than anybody else, but we do know how to approach the problem methodologically. We know where to find the sources that give us the answers."

Members of the economics faculty are well-known on the civic club circuit and serve as "unpaid staff" advisers on countless task forces and expenditure councils and appear regularly at budgetary and legislative hearings. They look upon these extra curricular duties as opportunities to

put their expertise into practice and as a part of the responsibility of the academic community.

On campus, economists appear regularly on the program for the spring alumni All-Star University. When Holmes and Clark, for instance, stage a debate for the old grads, they can approach the issue honestly, from opposite ends of the political spectrum. Their status as agreeable adversaries — Clark the conservative and Holmes the liberal — is neither unique nor accidental within the economics faculty.

Kondonassis, who joined the OU faculty in 1958 with degrees from DePauw and Indiana universities, is aware of the charges of excess liberalism which were directed at the department during the 1950s. He has no fears that the complaint can be made today.

"The department can safely be said to be in balance in the different economic philosophies of the faculty," he says confidently. "It wasn't like that years back, but it is now."

Stephens, who admits to moderate supply-side leanings, exposes his students to a full range of mainstream economic viewpoints. "We teach people certain methods of thinking, ways to analyze problems that are almost

apolitical, a matter of logic and analysis, not to take automatically what is said, but to stop and think, 'Is it reasonable? If not, where can I go and check it?'"

Mueller credits Kondonassis' leadership with enabling the department to maintain different viewpoints agreeably. "Of course this department could easily deteriorate into different factions along several lines, particularly on political lines. To a very large degree, the reason we can be so diverse and still be a compatible group is because of Alex's leadership."

Stephens judges the character of the department as right for its parent institution. "One way to make a big name nationally as a department is to become known as the center of a particular viewpoint," he explains, "the classic example being the University of Chicago under Milton Friedman, the monetarism center for a number of years. There probably were people there with other views, but you didn't hear much about them. At a school like the University of Oklahoma, it is important to have a variety of viewpoints on the faculty and to present these to the students."

There are other single-view departments with national prominence, such as the Hoover Institution at Stanford serving as the conservative answer to the liberals' Brookings Institute in Washington, D.C. As one economist remarked, "They are sort of rump governments for the group out of power. When the Republicans are out, their economists go to Hoover; when the Democrats are out, they all go to Brookings."

But the OU professors feel strongly that the University of Oklahoma should not be identified as espousing a particular view or putting forward a particular policy. At the same time, they do not shy away from giving their students their views on public issues, being careful, of course, to separate economic theory from personal opinion.

"If my students completely forget what I think, that's all right with me," Holmes insists. "If they agree with me, that's fine. If they disagree, that's even better, because then they are thinking and talking about economics." □