Critical thinking forum

Critical thinking in teaching (experience limited to economics?)

Is critical thinking important in teaching?
- What are we teaching the students?
- What is in the students interest?

Personal Background
- Teaching approach: stretch the students – engage and get them thinking
- CT integral to all courses not a separate subject (even quant methods can be interesting!)
- How?
  - Analysis of others’ work
  - Analysis of own course material
  - Analysis of each other
Analysis

- Others’ – easiest but avoid cheap shots
- Own – what are the assumptions underpinning your material, what are the limitations, what are the alternatives
- Each other – interactive debate, group work, PBL – learning by doing

Discuss the following. Raja has a year twelve mark of 97. He can do Law at Melbourne and has a place in Law. However, Raja only marginally prefers to do a Law degree rather than go surfing, and he values his place in the Law course at less than $10,000. Sunita has a year twelve score of 94 and has missed a place in Law at Melbourne. Doing a Law degree to work in legal aid has been Sunita’s life-long ambition. Sunita is willing to pay more than $10,000 for a place in Law. There are gains from trade if Raja sells his place in Melbourne Law to Sunita. Should Raja and Sunita be allowed to trade? If so, why? If not, why not?

Almost every country has laws or regulations that restrict trade with other countries. For first groups (the tutor will allocate groups) think up as many good arguments as you can why we should restrict trade between nations. For example, why should Japan restrict rice imports? Why should Australia restrict car imports? Why are there laws banning trade in fruit or livestock between certain countries (eg Canadian Salmon to Australia, Australian lamb to the US)? Make up a list of reasons.

For second groups (again the tutor will allocate groups) think up as many good arguments as you can why there should be unrestricted (or ‘free’) trade between nations.

Groups have 3-5 minutes to make up their lists. Then the tutor will swap lists so a trade restriction group gets the list from a ‘free trade’ group and vice versa. Now you have 3-5 minutes to think up counter-arguments to the other group’s list.
Discuss the following statements. Are they true or false? Is there an unambiguous answer? Explain your reasoning.

a. If there is a shortage of food due to a natural disaster, then prices should be allowed to rise to ‘clear’ the food market.

b. Market prices do not reflect the value of a good or service. For example, the price of diamonds is much higher than the price of water, but water has a higher value to people. Without water we would die.

It has been recognised that when people vote they appear to do odd things. For example, suppose that there are two parties – the Righties and the Lefties. Suppose that Victor (a voter) believes that he will be better off if the Righties are elected but also believes that the policies of the Lefties are ‘kinder and gentler’ than the policies of the Righties. Then, not uncommonly, a voter like Victor will vote for the Lefties, even though he prefers the Righties to win.

a. Consider Victor’s choice problem when he is voting. What is his choice set? Assume that voting is confidential so that Victor’s vote cannot affect anyone else’s vote. Also assume that the electorate is large so that Victor is just one of thousands of voters.

b. Given your answer to (a), explain why Victor might vote for the Lefties even though he prefers the Righties to be elected.

“The second fundamental welfare theorem says that we can separate equity and efficiency. The government should use taxes to redistribute wealth among people in society but the government should not interfere in the operation of markets. Once the government has redistributed the wealth to get an equitable society, the government should just let markets work to get the efficient distribution of goods and services. This leads to a Pareto optimal outcome and is the best way to run society’.

Discuss this quote in your groups. Is this a correct characterisation of the second fundamental theorem of welfare economics? Do you agree or disagree with this approach to managing society? If so why? If not, why not? Be prepared to debate and defend your opinion to the class.
Assessment

- Time!