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The Australian economy fared better than most others throughout the global financial crisis, but enrolments in economics degree courses have been less resilient. We document the decline in enrolments in economics courses that has proceeded at a varying pace over several decades and explore some reasons for this trend. One important reason is strategic: the failure to adapt the economics curriculum in response to the growing popularity of alternative business disciplines and to implications of the growing Australian trend towards mass higher education. Inertia in the curriculum caused economics to be seen as too abstract and boring, while students found new vocationally oriented courses in business and marketing more attractive.

Enrolment trends (12 pt caps)

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Economics enrollment trends in Australian secondary and tertiary institutions are disappointing (Millmow 2006; 2009; 2010). Despite the fact that the world continues to report the incontestable influence of economic events, "it is evident that economics enrollments in Australia are in long-term decline" (Round and Shanahan, 2010, p. 429) and Australian economists have been unable to match their perceived practical success in Australian economic policy with similar success in responding to market forces within their own discipline. Millmow (2006) notes that economics degree enrollments have become "an issue of deep concern for Australian economists ... [since a] marked decline in enrollments became an alarming issue in the mid 1990s" (p. 111). He also takes issue with the greater

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Verso (International handbook on 2 teaching and learning economics (398)

Rector Economics education in Australia optimism of Siegfried and Round (2001) who saw signs of recovery in Australian economics

degree enrolments, and argues instead that such a rebound remains less evident in Australia than in the US (p.112). The number of Australian university economics departments has now dropped from thirty seven in 2000 to twenty seven in 2009 (Millmow 2009, p. 60; 2010).

Round and Shanahan (2010) subsequently note that economics has steadily lost market share, and go so far as to accuse the Australian economics profession of having "committed academic suicide" (p. 425). Citing Millmow's (2000) finding that "the percentage of students enrolled in economics degrees had fallen continually from 2.5 percent [in 1989] to 1.6 percent [in 1999] of all enrollments," Round and Shanahan (2010) suggest that the main damage was done in the last decades of the previous century, albeit there has been little recovery since 2000 (p. 426). Business and marketing are cognate areas in which enrolment trends have been quite different, showing strong growth (Millmow 2009; Round and Shanahan 2010, p. 427). Again drawing on Millmow, Round and Shanahan add that this trend has been sustained over a longer period as economics enrollments relative to total enrollments "fell from 1.85 percent between 1990 and 1992 to 1.21 percent between 2005 and 2007" (Round and Shanahan 2010, p. 427 and 429). Honours enrollments have fared rather better, "The number of honours enrollments rose from 2001 to 2005, but have since declined, such that the 2007 figures are almost identical with those recorded for 2001" (Round and Shanahan, 2010, p. 428)

Against this backdrop of trends, it should be noted that the export of educational services is now a major foreign exchange earning industry for the Australian economy (RBA, 2008; Duhs and Duhs, 1997), much like the tourism industry, and this influx of foreign students reflects a heavy leaning towards degrees in business and economics. In 2007 education exports ranked as Australia's largest services export, and higher education represented 3.4 percent of total exports, while coal, the biggest single export, accounted for

9.5 percent (RBA, 2008, p. 17). Given that "International students now compose around one-third of all those graduating with an Australian economics degree" (Round and Shanahan, 2010, p. 428), the implied decline in domestic graduations is even more pronounced than is indicated by the trend figures above.

Reward systems and incentives (10 pt 6Ad)

Factors explaining these disappointing economics enrolments and falling market share include growing student preference for business or international relations degrees which are perceived to offer the prospect of higher incomes; failure by academic economists to respond to this increased competition via suitable adjustments to pedagogy and course content; and the increasingly broadly based influx of tertiary entrants with a consequent partiality for easier, less rigorous degrees (Round and Shanahan, 2010; Guest and Duhs, 2002). There is evidence of this at both secondary and tertiary levels (Searle, 2004).

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Guest and Duhs (2002) identify shortcomings in both pedagogy and academic reward structures in the teaching of economics in Australia. In terms of pedagogy, based on surveys of graduates they argue that there are perceived deficiencies manifested as tendencies to teach an encyclopaedic version of economics with excessive breadth and too little depth; to teach material that is too theoretical and devoid of real-world applications; to focus insufficiently on fundamental issues; and to under-emphasize the need for communication skills and teacher enthusiasm. In terms of reward structures, they also find via surveys of academic economists at a range of Australian universities that institutionalized incentives encourage time at the margin to be spent on research rather than teaching. This academic reward structure issue has in fact been a vexing question within the Australian higher education system insofar as a schism developed between the arguments of staff developers on one hand and academic economists on the other hand. Australian universities have well-funded in-

house education units aimed at lifting teaching quality, and influential staff developers in those units (Ramsden, 1992, p. 25 1-2) argued that providing academics greater financial incentive to teach well may paradoxically result in their teaching less well. This argument endorsed a 'crowding-out' hypothesis, and contended that extrinsic financial rewards crowd out the intrinsic reward of internalized satisfaction attributable to successful teaching. Survey evidence makes clear, however, that when making time-allocation decisions individual academics are well conscious of the relative rewards for improved performance in research relative to teaching. Government funding decisions nonetheless seemingly reflect the influence of the staff developers.

Though still mostly State owned, Australian universities have been required since

1989 to self-fund an increasing proportion of their activities. On revenue-generating grounds, there is therefore reason for attaching growing importance to tuition income and thus to perceived teaching quality and market share. Nonetheless, it is also the case that student satisfaction with teaching is only one issue with which economics schools must contending perhaps especially in the traditional research intensive (Group of Eight) universities where since status and funding issues cause heads of economics schools also to feel increasing pressure to lift their School research profiles and rankings (University of Queensland, 2008, p.7). These rankings are not much dependent on teaching quality, and research reputation continues to dominate. Moreover, research on teaching and learning itself evidently holds little appeal since the percentage of faculty publications appearing in major Australian economics journals on the economics of education is low to minuscule, conveying an impression that there is little perceived gain from research in such an area (Round and Shanahan, 2010).

One recent research finding which does have implications for both the quantity and quality of graduates, however, sounds a particular warning about too willingly allowing decisions about teaching quality to be based on student evaluation of teaching (SET) forms

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and results. Insofar as inappropriate incentive structures are institutionalized in the recognition of teaching quality, teaching staff may be induced to favor "better rewarded" approaches, rather than critical thinking approaches more needful for satisfying a university's goal of developing proclaimed graduate attributes such as developing critical judgment and analytical abilities. Teaching evaluation (TEVAL) scores are increasingly influential in making judgements about relative teaching effectiveness, and Alauddin and Tisdell (2010, p. 14) find that "high TEVALS can be achieved at the expense of some critically important factors in teaching and learning." They find that student perceptions of how well coursework is organised, explained and presented invariably have large positive impacts at all levels (undergraduate or postgraduate), whereas the SET attribute emphasis on thinking rather than memorising" (THINKMEM) has no appreciable impact on TEVAL scores. Alauddin and Tisdell's (2010) empirical evidence from economics courses suggests that an instructor who works to rate highly on the THINKMEM criterion is less likely to improve his/her TEVAL score than one who focuses on attracting favourable student response regarding coursework organisation, explanation and presentation. Some tension therefore potentially exists between the goal of enhancing the quality of teaching and learning outcomes and the goal of keeping up the quantity of fee revenues, especially as the currently high value of the Australian dollar bites into the ability to attract a non-diminishing stream of overseas students.

Institutional structures and incentives

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Almost all Australian universities are State owned and, despite significant reforms since 1989, the Australian tertiary education sector remains highly regulated. Governments have significant input in relation to funding, tuition levels, and accreditation. Since 1989 universities have been compelled to generate larger shares of their funding from students or

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outside sources, but have nonetheless not been free of government constraints in setting their tuition levels, least of all for domestic students who remain subsidized. International students pay full fees, hence implying that competitive interest is greatest in attracting more overseas students. Some 78 percent of University of Queensland tuition income in 2007 came from international students (University of Queensland, 2008, p. 12). Increased marketing effort is accordingly put into the task of attracting international students, but this sometimes leads to complaints that international students from non-English-speaking backgrounds are allowed to underperform, as a blind eye is turned to poor written and verbal English skills, largely for revenue reasons. Foster (2011) analyzed detailed data from 12,846 students made available by the business faculties of two universities, and contends that there is evidence of 'grade inflation' camouflaging the underperformance of international students. Her interpretations are not without dissent, but there are those who feel that to fail large numbers of international students is to risk having their teaching skills criticized, or risk being undermined by negative student feedback.

Awards for excellence in teaching (both within individual universities and at the national level) are now a feature of Australian university life, but the rewards in terms of career progression tend to be relatively small. The pressure to publish in top tier journals, on the other hand, is set to become even more paramount with the first national assessment of research quality, Excellence in Research Australia (ERA), conducted in 2011. This was a trial exercise with the first formal ERA assessment to be conducted in 2012, to be followed by similar assessments every three to four years. These ERA outcomes will drive a substantial proportion of universities' block funding for research. In the preliminary 2011 assessment, the economics field of research (FOR) was rated poorly relative to other FORs 14 out of the 36 universities that were assessed in the economics FOR received the lowest possible score of 1 out of 5 ("well below world standard"), and only 2 received a score of 5 ("well above world")

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standard?). The scores for the FORs in cognate commerce and management fields were all higher on average over the assessable universities. The effect this will have on learning and teaching in economics remains to be seen. Some universities that scored a 1 may decide to shrink their economics discipline to the point where the volume of research output is too small to be ERA-assessable. This would have implications for the depth and breadth of their economics programs. Others may decide to compete by investing more resources intell economics research in the hope of improving their ERA score, which would not necessarily improve their quality of teaching and learning.

values their research work because it is based on the RePEc/IDEAS database, and that very different citation impact factors are indicated via Google Scholar (Earl, 2010), which reflects the impact of heterodox publications in a much more favorable light. Earl (2010) notes that there are implications here for the teaching of heterodox economics in that, in "the current ERA-obsessed climate," promotion or hiring to senior positions increasingly depends not on the actual citation impact of published work, but on having publications in "core journals."

Bloch (2010) extends this critique of the ERA, and stresses that while heterodox economics research is relegated to the "other economics" classification it is likely to be marginalized and undervalued. Accordingly, the ERA and its chosen evaluative methods have implications for faculty hiring and promotions, and thus for curricular design. Present ERA procedures effectively decrease the likelihood of the hiring of heterodox economists as teachers.

Curriculum issues

Two common themes emerge in calls for curriculum renewal in undergraduate economics.

These are (a) the 'less is more' school and (b) the 'heterodox economics' school.

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The 'less is more' school refers to the argument that a reduction in the breadth of curriculum content within a given economics unit will allow more active learning strategies, and lead to better learning outcomes. It offers a way of dealing with increasing diversity in Australian university classrooms (Buckridge and Guest, 2007). Relevant Australian initiatives include attention to classroom games/experiments and a growing focus on threshold concepts (TCs): the deep, transferable ideas that allow economics graduates to engage in practical problem-solving. One factor driving interest in TCs in Australia is the emerging academic standards agenda, whereby the Australian Tertiary Education Quality and Standards Agency, still in its development stage (in 2011) will be responsible for a new standards-based quality assurance framework. Minimum teaching and learning outcomes (TLOs) will be required, defined in terms of the ability to apply knowledge and skills. A university with a curriculum that emphasizes student understanding of TCs, with problembased learning activities and assessment, would be well-placed to demonstrate that the above TLOs are being achieved. One forum for fostering such goals is the annual Australian Teaching Economics Conference.

Heterodox economics has a well established professional tradition in Australia, if not a marked impact on the economics teaching curriculum. An annual conference of the society of heterodox economists (SHE) at University of New South Wales (UNSW) was initiated in 2002 and currently attracts over 100 attendees from academia, government departments and community organizations. Papers are presented on a wide variety of issues including the teaching of economics, the case for pluralism, and post-Keynesian themes.

Argyrous (2007) surveyed Australian economics departments and found that in 2005 there were 16 heterodox courses being taught at the introductory level across 12 universities. These courses provide a first introduction to heterodox economics, but with just one exception are non-compulsory, and indeed are eligible for inclusion within an economics

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major in only a minority of cases. An alternative major in heterodox thought was available only at Sydney and UNSW, and in many cases the available heterodox courses were in fact housed outside the Economics and Business faculty.

Though not well entrenched in Australian universities (Argyrous, 2007), a pluralist approach to economics education remains strongly advocated by some (Stilwell, 2006; O'Donnell, 2004; Duhs, 2006). Pluralism implies acceptance that "there is more than one approach, theory and proposed solution to every problem" (Dennis, 2009, p. 12), which seems conspicuously true in the case of controversies generated by the global financial crisis and responses to it. Relatively few courses exist which contrast orthodox neoclassical, Austrian, institutionalist, evolutionary, behavioural, post-Keynesian, feminist and Marxist approaches. There is survey evidence, however, to the effect that recent graduates have viewed their economics education as only moderately useful to their professional lives, with no statistical difference between those working in an economics-related profession and those working in other fields (Guest and Duhs, 2002). Such findings lend support to the notion that an alternative, pluralist approach which focuses on explanations of real-world issues by drawing on alternative perspectives might have a positive impact on enrolments.

Final thoughts

As far as economics is concerned there are some signs of improved teaching quality at least at some institutions, and some signs of a possible resurgence of enrolments, but in the face of increased competition from other disciplines there remains a need for more assertive attempts to engage students and increase the reach and appeal of the subject. That likely requires further changes in incentive systems—since as Adam Smith put it over 200 years ago the lecturing efforts of the Dons of Oxford were not likely to improve while their rewards remained independent of their efforts.



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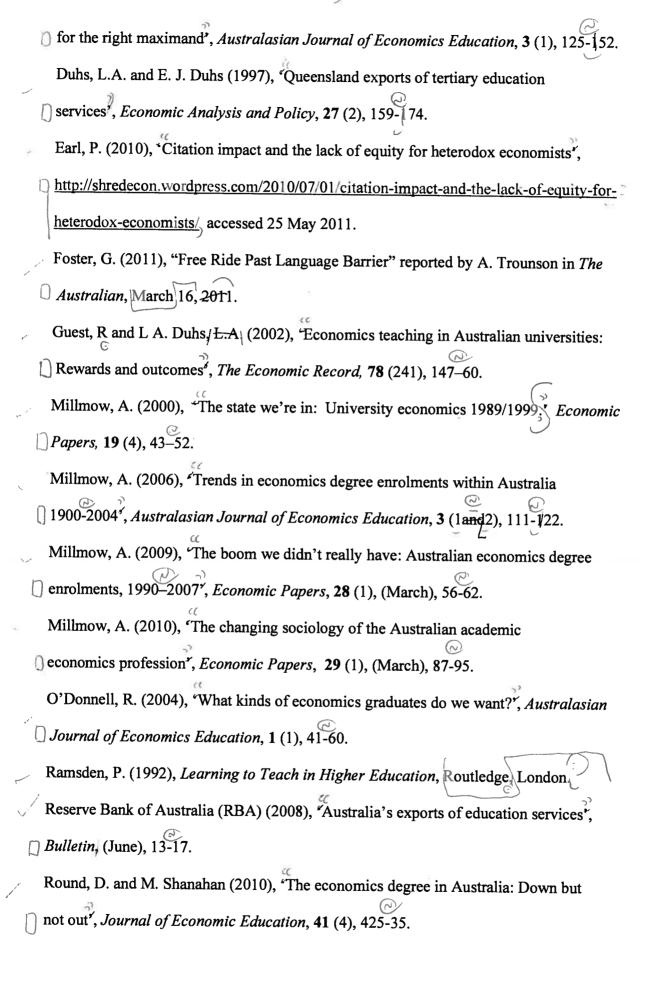
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Endnotes

Honors degrees involve a fourth year of equivalent full-time study and effectively serve as a passport to professional appointments, for example, in the Australian government bureaucracies.

The Group of Eight universities consists of the Universities of Sydney, Melbourne,
Adelaide, Queensland, Western Australia, New South Wales, Monash and the Australian
National University.

The ERA assessments are based primarily on the quality of a selection of research outputs and all research income over the assessment period.

the reconomic games open access website created at Griffith University, Queensland.

http://www.economicgames.org/ (accessed 25 May 2011). Please also see the Classroom

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For more information about this pedagogic practice, see the Threshold Concepts chapter in this volume.

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A decades long political economy struggle at the University of Sydney eventually resulted in the creation of a separate department of political economy (Butler, Jones and Stilwell, 2009; Butler, 2010). That department was itself transferred into the Arts faculty in 2008, and continues to attract strong enrolments. Butler adds (2010) that while over 12,000 students have completed University of Sydney political economy courses over the years, "very few students in business and commerce are able to take these courses" (p. 74) It is likewise the case that even though a 1986 Review Committee at the University of Queensland recommended the deletion of less conventional economic philosophy courses (University of Queensland 1986, p.19), the units were retained and enrolments stayed healthy.

See also the Pluralism in Economics Education and Teaching Political Economy to Undergraduate Students chapters in this book.

9 P. Alan Duhs and Ross Guest, "Teaching tertiary economics!

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2011) for Adam Smith's observation. Guered in George Stis

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