



Prime Minister (4)
I hope this doesn't backfire
by spreading belief in
the doctrines of the alchemists!
Oliver is equally
sceptical - see note
attached. AT 14/11

DL

DEPARTMENT OF EDUCATION AND SCIENCE

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FROM THE SECRETARY OF STATE

Rt Hon Nigel Lawson MP
Chancellor of the Exchequer
Treasury
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I cannot think that
local school children will learn
much that IJS
would wish them
to know

14 November 1984

Nigel

EDUCATION FOR ECONOMIC AWARENESS

As you know, I am concerned that the schools should do more, within the curricular time available, to promote among pupils an awareness of the economic facts of life, ignorance of which among so much of our population is hampering so many of our policies. I have the opportunity to pursue this aim in the formulation of broadly agreed objectives for the school curriculum as a whole, and for its various aspects, on which I am now engaged.

I therefore wrote to the chairmen of the education committees of the local authority associations to enlist their support in setting down in some detail what might constitute the economic awareness which the schools should seek to impart, with a view to inviting the School Curriculum Development Committee to promote further work in this area which might better equip schools and teachers to promote economic awareness through various parts of the curriculum to pupils throughout the ability range. The Chairman of the Association of County Councils' Education Committee was content for me to proceed. But the Chairman of the Association of Metropolitan Authorities' Education Committee, while acknowledging the need for young people to be equipped with economic understanding, was concerned that I was being too prescriptive about what pupils should learn; in the light of her reaction I have decided to present the matter more neutrally.

I now propose to canvass my ideas more widely within the education service and thus to bring the issue to public attention, on the basis of the attached letter which would be issued by this Department. This step might give rise to controversy in a politically sensitive area. I thought therefore that you and other colleagues should see this letter and know that I intend it to go out in the course of November.

I am sending copies of this letter and the enclosure to the Prime Minister, the Lord President, the Secretaries of State for Trade and Industry, Employment, Scotland, Wales and Northern Ireland, and the Minister without Portfolio.

Yours

Keith

DRAFT CONSULTATION LETTER (TO ISSUE AT OFFICIAL LEVEL) TO:

teacher associations
voluntary bodies
SEO (Society for Education Officers)
CBI
TUC

ECONOMIC AWARENESS AND THE SCHOOL CURRICULUM

As you know, one of the Secretary of State's policies for raising standards in schools is to seek to formulate, in discussion with all concerned, broadly agreed objectives for the 5-16 school curriculum. Among these are objectives for the main subject areas. One of these areas is the economic foundations of society as part of the preparation of pupils for citizenship and the world of work.

The Secretary of State considers that it should be the aim to equip all pupils by age 16 with some economic awareness and understanding and that this aim could be fulfilled in a variety of ways over a wide range of subjects and elements of the curriculum and through a variety of teaching approaches. In his view the fulfilment of the aim would be advanced by a statement of objectives sufficiently detailed to enable all concerned to make the most advantageous use of the limited curricular time available for this aspect of the curriculum. Such a statement would not only assist the planning of the curriculum and teaching approaches but also serve as a basis for the further work of curriculum development which appears to be required. For this latter purpose the Secretary of State intends to invite the School Curriculum Development Committee to consider what additional development work it might now encourage and support.

The Secretary of State understands from the local authority associations that they share his view that it is important to equip pupils with an appropriate measure of economic understanding.

He has suggested to them that while it would be wrong to prescribe a national syllabus in any area of the curriculum, it might be appropriate in this area to describe the objectives in some detail on the lines of the attached statement. I am now writing to ask whether your organisation supports the Secretary of State's approach and if it wishes to offer comments on the attached statement.

I am writing in similar terms to other interested organisations, and sending copies to the Association of County Councils, the Association of Metropolitan Authorities, the Secondary Examinations Council and the School Curriculum Development Committee.

Objectives for economic awareness

To equip pupils with an awareness of the economic foundations of society, it is suggested that the objective should be that they should acquire an understanding, appropriate to their age and ability, of the following matters:

- (1) the operation of supply and demand;
- (2) the inter-dependence of nearly all people in their capacity as producers of goods and services seeking to satisfy each other (i.e. the same people together with dependents) in their capacity as consumers;
- (3) the various categories of goods and services which are produced - i.e. private and public, traded and non-traded;
- (4) the part played by taxation of the trading sector and those who work in it in providing the net finance of non-traded public and social services;
- (5) the effect on the economy of the state of the trading and non-trading sectors;
- (6) the dependence of the trading sector, in most cases and for most of the time, on its ability to meet the demands of consumers at home and abroad in both price and other respects;
- (7) the relationship between productivity and society's aggregate living standards in terms of consumption or voluntary leisure;
- (8) the relationship between productivity and unit labour costs on the one hand and earnings and prices on the other;
- (9) the economic functions of the entrepreneur;
- (10) the relationship of competition with productivity and consumer satisfaction;
- (ii) the role of profit and loss in relation to resource allocation and productivity;
- (12) the significance of opportunity cost.