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FROM THE EDITOR

Welcome to the Spring issue of Teaching Business and Economics.



FROM THE EDITOR

This issue has an unashamed bias towards practice and techniques designed to boost student knowledge and understanding.

Educational guru Dylan William claims that Cognitive Load Theory is 'the single most important thing for teachers to know'. Before deciding whether he is right, turn to Jade Slater's article in which she explains how an understanding of the brain's memory systems can transform student knowledge retention.

On the subject of knowledge retention, Adrian Lyons OFSTED's National Lead for Economics, Business and Enterprise, explains the importance of underpinning enterprise education with a firm foundation of knowledge rather than just skills.

Roger Loxley at Newcastle Royal Grammar School explains why he introduced more regular 'low stakes' testing into his teaching and the impact it has had on the performance of his students. His approach, he says, recognizes the value of learning knowledge, the importance of regular practice to secure knowledge and the benefit of getting students used to being tested so that high-stakes tests are less of a shock to the system. He also explains how he uses technology to reduce marking load and inform planning and learning.

Self-assessment and peer-assessment are increasingly recognized as valuable tools for learning. Dependent as they are however on the co-operation and engagement of students themselves Adam Hutsby shares the findings of his research both into the impact of both assessment methods on his students and their feelings about the value of these techniques.

In this issue we also have a special feature on the new BTEC Tech Award in Enterprise. Colin Leith from Edexcel explains the design of the award and Remy Shelton shares her experiences of planning for and delivering the award for the first time at her centre.

Whether you teach economics or not, low levels of economic literacy continue to be a concern to many of us in education and the wider society. At the end of last year, the economics education pressure group ECNMY ran a high profile meeting to discuss the problem and potential solutions. Caroline Loewenstein was there and has provided members with an informative and insightful report.

If you want to discuss Brexit with students at the moment but fear the explosive consequences of what has become an emotive and polarizing issue, Russ Woodward and Tim Veal have a solution. Take a topic like foreign direct investment they recommend and keep the conversation objective. They explain how.

Finally, this issue closes with a reminder about how little we all really know about the world around us. Ruth Corderoy, reviewing the book 'Factfulness' by the late Hans Rosling shares his analysis of the poor grasp we have of important quantifiable data such as population growth, levels of immigration, standards of healthcare, despite confidence to the contrary. The implication being that we must all do more to encourage students to gather quantitative data behind emotive issues and help them develop the skills to accurately interpret the data they find.

I hope that will keep your brain cells ticking over during the Easter holidays and provide some ideas for the summer term to come.

Have a restful Easter.

Gareth

Gareth can be contacted at director@ebeam.org.uk

Deadline for Contributions to Summer 19 Journal - 1st June 2019

All magazine contributors please note that submissions and materials for review should be sent, via e-mail, to the EBEA office, office@ebeam.org.uk. Please supply files including any relevant charts, images, suggestions for images, graphs etc. Images should be hi-res where possible.

Teaching Business & Economics

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Front Cover Image:



**Lessons They Will Remember:
Cognitive Load Theory - see page 4.**

LESSONS THEY WILL REMEMBER: COGNITIVE LOAD THEORY IN BUSINESS & ECONOMICS

Jade Slater considers how an understanding of our memory systems can transform student knowledge retention.

"Cognitive Load Theory is the single most important thing for teachers to know" (Dylan William)

MEMORY, LEARNING AND COGNITIVE LOAD

The human memory can be divided into the working memory and the long-term memory. The long-term memory is the memory system where large amounts of information are stored semi-permanently in the form of schemas. In contrast, the working memory processes what we are currently doing and can only deal with a limited amount of information – most people can hold four chunks of information in their working memory at one time.

The cognitive load in a task refers to the amount of effort or information processing that is required by the working memory to complete this task. According to Cognitive Load Theory there are three types of cognitive load:

1. Intrinsic cognitive load – the inherent difficulty associated with a task or of the material being learnt.
2. Extraneous cognitive load – this is any difficulty created by how the task is presented for example, some problems may be presented to students with very limited input from the teacher putting an extra, unhelpful load on the working memory. This type cognitive load should be minimized.
3. Germane cognitive load – this refers to the work put into creating a permanent store of knowledge or to transfer knowledge into the long-term memory.



Image source: the elearning coach

Learning occurs when information is transferred from the working memory into the long-term memory. Therefore, if the cognitive load of the task is too large the working

memory is overloaded, and learning is impaired. Therefore, to increase learning cognitive load should be reduced.

HOW CAN THIS BE APPLIED IN BUSINESS STUDIES LESSONS?

1. Use a 'simple-to-complex' approach, where the elements of the material are introduced to the learner in a simple-to-complex order. This may mean introducing the basic knowledge before adding analysis and evaluation. For example, when teaching sources of finance, you would explain what each of the sources was before considering the advantages and drawbacks, and then asking pupils to compare the sources.
2. Use worked examples when introducing new material to pupils. A 'worked example' is a problem that has already been solved for the learner, with every step fully explained and clearly shown. Worked examples are effective because they provide students with fully guided instruction, minimising unnecessary load on students' working memories. This is crucial when introducing calculations to pupils.

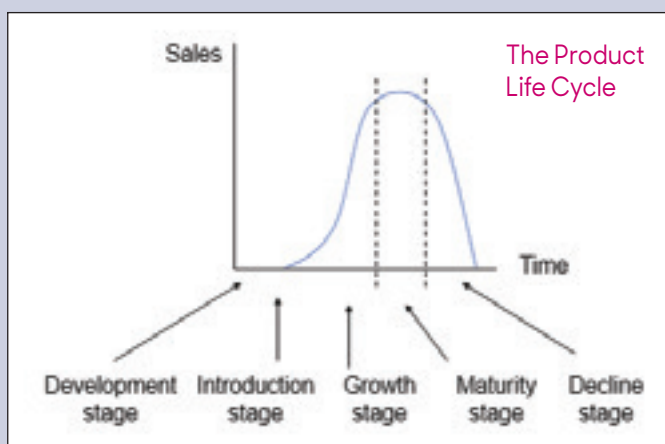
Calculating Profit

1. Calculate sales revenue (price x sales)
2. Calculate total variable costs (variable cost per unit x sales)
3. Calculate total costs (fixed costs + total variable costs)
4. Calculate profit (Revenue – Total costs)

Example:	
Price = £10	
Sales = 1000	
Variable cost per unit = £2	
Fixed costs = £2000	
1. Sales revenue = £10	
x 1000 = £10,000	
2. Total variable costs =	
£2 x 1000 = £2000	
3. Total costs = £2000 +	
£2000 = £4000	
4. Profit = £10,000 -	
£4000 = £6000	

3. Present information visually (through images) and orally. The modality effect states that the working memory has both visual and auditory channels and so understanding and memory is improved when we present new information in both formats. This means that it is better to use presentations to show images which you then explain, rather than text.

TO APPROACH



exchanges rate are, how the impact of changes in exchanges rates are calculated and then the impact on businesses in discrete chunks.

8. Reading and listening both use the verbal channel of the working memory. Therefore, students should not be requested to read text and listen at the same time. For example, allow students to read text from a presentation slide before you explain it verbally.

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4. Use direct instruction when introducing new information or ideas, rather than having students discover or construct information for themselves.
5. Use modelling when completing exam questions to show pupils how to complete them before they attempt this for themselves.
6. Frequent review/retrieval practice is important as automatic recall frees up the working memory. This can be achieved through the use of a starter quiz with questions on lots of different topics which pupils complete from memory. Lagged homework can also be used to review topics a number of weeks after they have been taught.
7. Present new material in small steps/chunks. For instance, a lesson on exchange rates may look at what

THE IMPORTANT ROLE OF KNOWLEDGE IN UNDERPINNING ENTERPRISE EDUCATION

Adrian Lyons explains OFSTED's consistent view that enterprise education must be based on a firm foundation of knowledge.

There has been considerable discussion recently regarding knowledge and skills. It is interesting to note that this discussion is long established with Ofsted's commentaries on enterprise education. As long ago as 2008 Ofsted's then national advisor for economics, business and enterprise, David Butler HMI advised the chief inspector of the time that: 'The focus tended to be on the development of enterprise skills, reflecting the emphasis of the government's strategy, and financial capability and economic and business understanding were less well developed. Only a minority of schools had identified the learning outcomes for students as they progressed through the school and very few had systems in place to assess them.'

The following year, David again advised that: 'Students not taking business examination courses often had a weak understanding of economics, business and personal finance. However, their enterprise capability appears to be better developed, possibly reflecting the impact of the government's enterprise strategy that has placed greater emphasis on skills than economic and business understanding.'

By 2011 Gwen Coates had become Ofsted's national adviser and she reported internally that: 'The provision for, and development of, all students' enterprise capability was often good, however, the provision for, and development of, all students' economic and business understanding, and their financial capability was more variable.' She identified as a key issue: 'the need for enterprise education programmes to have clearly identified learning outcomes that enable pupils' progress, in relation to developing understanding and skills, to be monitored and assessed.'

Since 2005, Ofsted has consistently used a definition of enterprise education which is: 'Enterprise education is enterprise capability supported by better financial capability and economic and business understanding' i.e. it is about developing skills, but very much underpinned by knowledge and understanding. We have consistently criticised an over-emphasis on skills, (innovation, creativity, risk-management and risk-taking, a can-do attitude and the drive to make ideas happen) when as is so often the case, this is not set in a context of providing pupils with economic, business and financial knowledge and understanding. Ofsted's 2005 report 'Developing Enterprising Young People', commented that: 'Most schools are good at identifying opportunities for enterprise learning in the curriculum but are less good at identifying what students are expected to achieve from these experiences.'

The 2005 report went on to identify as a problem the lack of involvement of business and economics specialist teachers in the delivery of enterprise citing two reasons being:

- 'enterprise education is seen as being only about the development of generic skills such as problem solving and creativity with little attention given to economic and business understanding or financial capability
- there is a mistaken belief that economic and business understanding and financial capability can be taught by anyone'.

Thirteen years later current chief inspector Amanda Spielman, commenting on Ofsted's curriculum research, is clear that in the whole school context, 'twelve years of education should give children a lot more than a disposition to learn some ill-defined skills. Yet the evidence from the first stage of our research this year is that the focus on substance, on the knowledge that we want young people to acquire is often lost'.

The personal finance aspect of enterprise was a focus for Ofsted's 2008 report 'Developing Financially Capable Young People'. In this report there is a clear message concerning the need for knowledge. The report identified as a main contributor to successful provision: 'Good teaching was characterised by teachers' confident subject knowledge, skilfully managed discussions, relevant contexts, and tasks that engaged students. External agencies and other resources were used very effectively to support teaching and learning.'

The report identified the **unique economics subject specialist** contribution to making a 'financially capable young person' in the subject's contribution to combining knowledge, understanding and skills:

- 'Financial capability requires an understanding of the key terms and ideas associated with personal finance, the skills to make sensible financial decisions and the development of appropriate attitudes to managing money. Young people must acquire not only factual knowledge but also an appreciation that there are often no 'right' answers because decisions depend on individual circumstances and preferences. For example, the decision whether to take out fully comprehensive car insurance requires an understanding of different types of insurance and their comparative risks and benefits. However, the decision taken will vary between individuals according

The report identified the unique economics subject specialist contribution to making a 'financially capable young person'



to the value they place on the car, their financial circumstances and how they assess risk.'

Summarising the attainment of pupils in financial education the report concluded:

- 'They often had a good grasp of particular aspects of personal finance but had gaps in their understanding elsewhere. In some cases, this was because there were still aspects of the course to be covered. More often, these deficiencies were because schools had not established comprehensive programmes of personal finance education that clearly identified the full range of learning outcomes students were expected to achieve by the age of 16. Students taking accredited courses often had the most comprehensive understanding of personal finance. This reflected the coherent nature of the provision and the substantial amount of lesson time devoted to it.'

Ofsted's 2011 report 'Economics, Business and Enterprise Education' found that:

- The schools visited did much to promote students' enterprise capability by a whole range of often highly engaging and wide-ranging provision in this area. As a result, in more than half of the schools visited, students were developing good problem-solving and teamworking skills, including negotiation, cooperation, planning and organisation.
- However, in the secondary schools, economic and business understanding, and financial capability were not as well developed and were often weak. As a result, students often had only vague ideas about the economy, interest rates and their impact, recession, inflation, why prices vary and the ownership of companies.

The report picked up on previous concerns regarding teachers' lack of subject knowledge:

- 'Many of the teachers deployed to deliver aspects of enterprise education were non-specialists, who had little or no training or experience of this area. This limited their confidence and ability to teach effectively. This was particularly the case in relation to economic and business understanding and financial capability for students in the secondary schools.'

Finally, in 2016 Ofsted's report 'Getting Ready for Work' explicitly stated that,

- 'Enterprise education involves teaching pupils the **knowledge** and skills they will need to be future employees and potential employers. It includes, but is not limited to, teaching financial and organisational capability, while also providing opportunities to raise pupils' awareness of problems and solutions in the context of business and enterprise.' One of the key finding was that, 'Even where schools were delivering enterprise education, it was often unclear whether this was having any impact on pupils' knowledge, understanding and skills.'

Ofsted recommended that Secondary schools should:

- ensure that there is a coherent programme to develop enterprise education, including the economic and business knowledge, understanding and skills of all pupils
- ensure that these programmes have effective mechanisms for monitoring and assessing progress in relation to developing **knowledge**, understanding and skills.

Ofsted has a long and consistent message to schools that in enterprise education skills need to be underpinned by a coherent approach to the acquisition of knowledge and understanding.

Adrian Lyons HMI, is Ofsted's National Lead for Economics, Business and Enterprise

THE 'WIN-WIN' OF FREQUENT, LOW STAKES ASSESSMENTS

Roger Loxley extols the benefits to both students and teachers of regular quick testing to reinforce key knowledge

One of the good parts of my job is helping to run a series of training days in the region. It gets me out of my school and into many others. I therefore get to meet lots of teachers doing some wonderful things in the classroom.

Last year I met a physics teacher who was doing some great work with small, low-stakes tests in the classroom. It was an approach that integrated well with what we've been trying to look at in my school, namely how to make assessment more meaningful, supportive of students, less high-stakes (unless necessary), more valid and valuable and with less work for the teacher. So, I decided to try his approach for myself. It worked, so I'm continuing with it this year too.

The basic principles behind it are:

- The recognised value of learning knowledge
- The importance of regular practice to secure knowledge
- The importance of regular testing of knowledge
- Getting students used to being tested so that high-stakes tests are less of a shock to the system
- Using technology to reduce teacher marking load

- Using technology to provide useful data that helps inform planning and learning

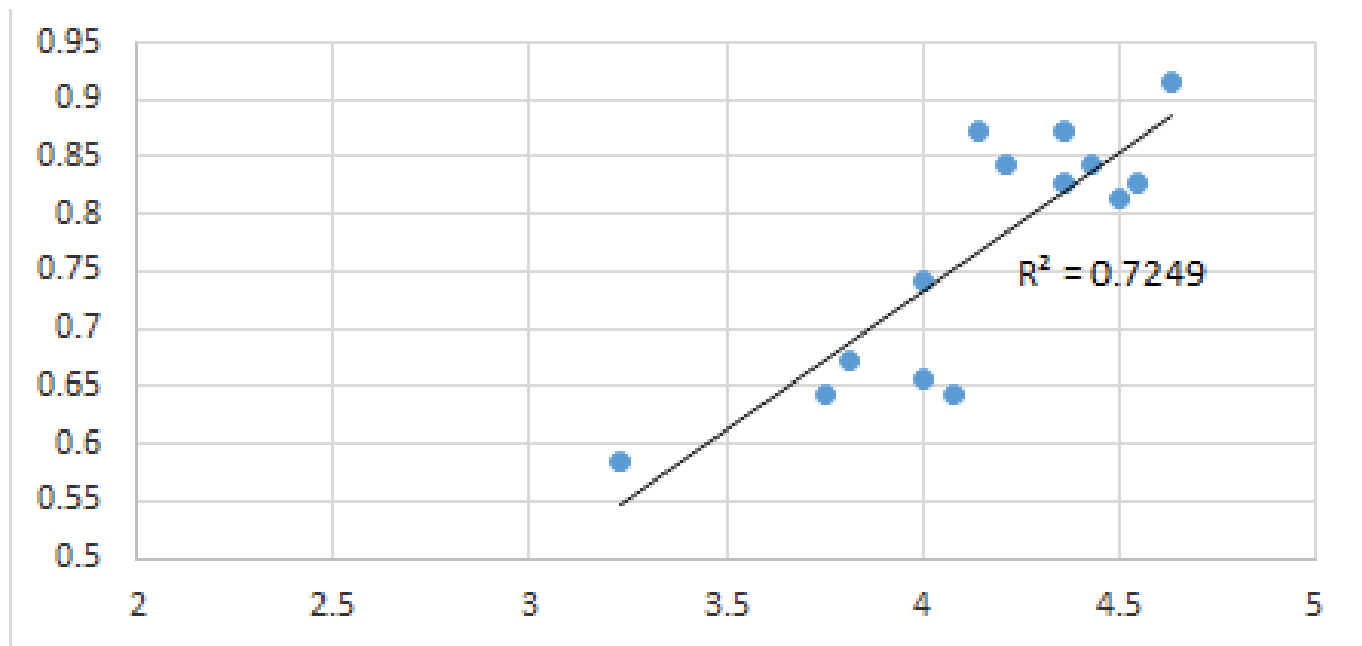
It's a very simple idea. Every lesson I start with a quick, five-question multiple choice test based on the knowledge learned from the previous lesson. So, the test picks up on facts, concepts and definitions from the previous lesson.

I conduct the tests on a PowerPoint show that neatly builds into a really solid bank of multiple choice questions over the course of the term or year (helpful with revision later). Students answer the questions using Microsoft Forms so they simply click on the answer grid on their phones. The results then appear live on my screen and I can then show them to the students as we go through the questions. The screen doesn't show individual answers but only the number opting for each answer so no students are picked on individually.

After the lesson, I download the individual answers to a spreadsheet and copy that selection across to my main markbook. It allows me therefore to monitor students' individual responses.

So, what do we all get from this? Firstly, I get an idea of how well the students know the content from the previous lesson. This is helpful because it identifies any gaps in

Quiz v Mock





knowledge either at an individual level, from which I can support a student, or at a whole class level, which helps inform my planning and teaching.

Secondly, students like knowing that each lesson begins the same way. They now get out their phones as they enter the room, knowing what's coming. They also like the slightly competitive nature of the tests. They do understand that nothing rides on the outcomes; I don't set revision homeworks, I don't penalise them if they do badly on a particular test (in fact we move straight on without referring back to it). They say they enjoy knowing that they know.

Thirdly, I get really good data. It informs me about their knowledge and understanding and it helps me with my planning. It's quick, requires very little preparation and certainly minimal marking since it's all done online. So, I have lots of colour-coded numbers in my markbook that gives me plenty of evidence for reporting and grading.

But, where it's really valuable is in tracking and the correlation with high stakes tests. I plotted the daily tests results against my Y11s mock exams. Perhaps, unsurprisingly, the correlation turned out to be pretty good.

This was really helpful in getting the students to understand the importance of regular revision of work, learning of

knowledge and testing of understanding. It highlighted those who did well on the daily tests and mock exams, which proved quite a reinforcer for them and a motivator for those that weren't doing so well. It meant that the latter group could also see quite a quick difference in their performance over the next few weeks as their daily test scores rose once they realised the importance of them.

Anecdotally, the students seemed really to appreciate the value of the tests. They like the easy way in which they work, they like the low stakes nature of them, they like the little bit of competition that comes into it. They like the reinforcement of their own knowledge and they like knowing that they know.

I like getting really helpful data without having to mark loads of work. I like the fact that lessons start with a bit of recall of knowledge, it gets us all in the right frame of mind and means we can move straight into content. I like knowing where there are gaps in students' knowledge and understanding because that really shows me what I need to focus on. The regular, repeated nature of it keeps us all on our toes a bit too.

Roger Loxley is Director of Studies for Economics at Newcastle Royal Grammar School.

SELF-ASSESSMENT AND PEER-ASSESSMENT IS SEEN AS GOOD PRACTICE - BUT WHAT DO STUDENTS THINK?

Adam Hutsby shares his research findings and observations on the value of self and peer assessment

INTRODUCTION

Given the ever-increasing focus within education on assessment, this seemed a logical focus for my dissertation, as part of my MEd. My research title focused on "the effectiveness of different formative assessment techniques on Year 12 and Year 13 Economics students", primarily looking at self and peer assessment as well as

comment-only marking. As claimed by Faulk (2008), only a limited number of studies have focused on formative assessment in economics education.

My research was the culmination of two years' worth of research on five target classes within the Economics department at a co-educational boarding school. The target classes included both IB and A-Level cohorts.

Figure 1: Student Perceptions of Self Assessment From the Falchikov (1986), Stefani (1992) and Hutsby (2013) Surveys

Self assessment makes you: (tick all which apply, and scores here are given as %)

Column A	Falchikov study (1986)	Stefani study (1992)	Hutsby study (2013)	Average
Dependent	12	2	7	7
Not think more	0	0	0	0
Not learn any more	3	0	0	1
Lack confidence	27	4	5	12
Uncritical	3	2	2	2.3
Unstructured	3	0	2	1.7

Column B	Falchikov study (1986)	Stefani study (1992)	Hutsby study (2013)	Average
Independent	41	76	73	63.3
Think more	91	100	91	94
Learn more	59	85	68	70.7
Gain confidence	41	62	55	52.7
Critical	94	95	96	95
Structured	79	82	80	80.3

Self assessment is: (tick all which apply, and scores here are given as %)

Column A	Falchikov study (1986)	Stefani study (1992)	Hutsby study (2013)	Average
Time consuming	62	100	89	83.7
Not enjoyable	32	54	48	44.7
Hard	91	76	77	81.3
Not challenging	6	2	4	4
Not helpful	6	3	11	6.7
Not beneficial	9	3	14	8.7

Column B	Falchikov study (1986)	Stefani study (1992)	Hutsby study (2013)	Average
Time saving	9	0	2	3.7
Enjoyable	24	19	23	22
Easy	3	3	4	3.3
Challenging	82	97	86	83.3
Helpful	71	90	82	81
Beneficial	65	90	84	79.7

SELF AND PEER...

ASSESSMENT



Photo: ID 70984404 © Rawpixelimages | Dreamstime.com

Quantitative data was obtained from 56 Sixth-form economics students from three surveys, staff surveys involving 7 departmental colleagues, 10 teachers from other subject disciplines and 5 economics teachers in other schools across England. Economics lessons were observed to provide further quantitative data, namely relating to recording the incidence of differing questioning techniques. The survey design was based on similar surveys used by Falchikov (1986), and Stefani (1992), and whilst these were based on university undergraduates of Biology, this was the closest research I could find, both in terms of the age group, and also in terms of being specific to just one subject. They also had a similar sample size. Qualitative data was gathered from two focus groups each involving four students, as well as from open-ended comments from lesson observations.

SELF AND PEER ASSESSMENT

My target groups appeared much more comfortable using self-and peer-assessment techniques than my non-target classes. This was evidenced by them not complaining when asked to self or peer-assess, whereas some of my other groups were still of the opinion that all essays should be marked by teachers. Moreover, as each class is taught by two teachers, my colleagues made reference to our shared target-classes being much more relaxed and happy to self-and peer-assess than their other teaching groups too.

Figure 1, shows student perceptions of self-assessment; it is clear that my research findings were largely compatible with those of Falchikov (1986), and Stefani (1992). This research concluded self-assessment is viewed as being beneficial for student learning, with an average of 79.7% suggesting it was beneficial.

Figure 2 (see page 12), shows student perceptions of peer-assessment, and again my research findings largely complemented the studies of Falchikov and Stefani. This

time, 85% of my students suggested peer-assessment was beneficial, which was very similar to the 82% obtained by Stefani, although higher than Falchikov's 65%. One area in which my students' perceptions differed to the other researchers was concerned with the difficulty, as on average my students reported that it was less difficult than the other studies. My focus group students suggested this was because they found self-assessment more difficult, which Figure 2 also corroborates, showing that more of my students found it 'hard' compared to the work of Stefani.

I would suggest this is because of the order in which I introduced self-and peer-assessment. When first implementing self-and peer-assessment with my target classes, I followed the advice of Sadler (1989), and Wragg (2001), believing self-assessment is a pre-requisite for successful peer-assessment, as students need to be able to provide sensitive and honest feedback to themselves before they can do this with peers. Students' initial attempts at self-assessment, with the exception of one AS-Level class were unsuccessful because they lacked the necessary skills and experience of judging their work against mark schemes, but perhaps more importantly, were poor at setting realistic targets to remedy their weaknesses. Many targets were either too generic, such as "increase my score" or not specific enough, such as "improve analysis" without giving thought to how this would be done. Gradually, however, with sustained practice they began to feel more comfortable in assessing their own work. This could therefore account for why they thought self-assessment was 'harder' than peer-assessment, as by the time they progressed to peer-assessment they had relatively good self-assessment abilities.

From Figure 1 and Figure 2, it is clear my students found self-assessment to be challenging (86%) and made them more critical (96%). The fact they believed self-assessment helped them learn more and also think more, demonstrates the learning gains yielded by self-assessment. In terms of student enjoyment, from informal

Figure 2: Student Perceptions of Peer Assessment From the Falchikov (1986), Stefani (1992) and Hutsby (2013) Surveys

Peer assessment makes you: (tick all which apply, and scores here are given as %)

Column A	Falchikov study (1986)	Stefani study (1992)	Hutsby study (2013)	Average
Dependent	24	11	16	17
Not think more	0	0	0	0
Not learn any more	3	6	2	3.7
Lack confidence	21	11	21	17.7
Uncritical	3	0	0	0
Unstructured	0	0	0	0

Column B	Falchikov study (1986)	Stefani study (1992)	Hutsby study (2013)	Average
Independent	35	68	64	55.7
Think more	82	96	98	92
Learn more	62	80	93	78.3
Gain confidence	35	56	46	45.7
Critical	77	93	89	86.3
Structured	53	72	73	66

Peer assessment is: (tick all which apply, and scores here are given as %)

Column A	Falchikov study (1986)	Stefani study (1992)	Hutsby study (2013)	Average
Time consuming	59	91	88	79.3
Not enjoyable	29	35	30	31.3
Hard	71	78	68	72.3
Not challenging	9	2	4	5
Not helpful	0	2	0	0.7
Not beneficial	0	2	0	0.7

Column B	Falchikov study (1986)	Stefani study (1992)	Hutsby study (2013)	Average
Time saving	3	6	4	4.3
Enjoyable	24	35	39	32.7
Easy	9	9	7	8.3
Challenging	79	94	82	85
Helpful	62	67	84	71
Beneficial	65	82	86	77.7

student discussions and the focus groups, I would suggest this was because students liked reading each other's responses as they could see how to better structure their own work.

COMMENT ONLY MARKING

A major side effect of summative assessment is that it has led to the development of a culture within schools of comparing marks. Whilst this harms both high- and low-ability pupils, at its most extreme, can lead to lower-ability pupils actually answering exams randomly as they expect to fail anyway, and this actually defeats the whole purpose of the assessment process in the first place (Paris et al, 1991). This culture is now very embedded across the country, making it incredibly difficult to change, and I believe this culture will only end if a sizable number of teachers switch to comment-only marking, as comparing

grades is almost inevitable for students. In my particular school, this is compounded further due to the £36,000/year school fees, as parents and students expect work to be graded.

Comment only marking was a completely new intervention implemented on my target classes, and initially it was met with resistance. The focus group students suggested they were initially very "anxious" towards comment-only marking, as they liked marks, as this enabled them to view progress more effectively. However, out of the eight students in the focus groups, seven said they believed they had "benefited" from the process. This was especially the case with the lower-ability pupils.

A major barrier to implementing a greater focus on formative assessment according to the literature is based on the 'cognitive conflict' between teachers realising the

benefits of comment-only marking, but school-wide marking policies which often require teachers to grade or score all work. For instance, Gardner (2006, p15) discusses "potential conflicts with school policy" surrounding comment-only marking. However, my HoD was very happy for me to trial comment-only marking with my target classes and so I didn't encounter the same barrier many face. However, I continued to record their marks in my mark book in order to track student progress over time, although these marks were never recorded on their work.

I realised at a very early stage that whilst I have always provided detailed comments on student work, I never really provided enough lesson time for students to read comments and reflect upon them. Therefore, although I appreciated that students rarely read the comments to the extent I would have liked them to, my own teaching did not encourage this. From my surveys and focus groups, whilst the brighter students were sufficiently conscientious and read my comments outside lesson time, the weaker students did not do this, yet arguably, it is the weaker students by definition, who would benefit the most from reading comments. To reinforce this potential learning gain further, lesson time is now made available for working on improvements. This is important as it provides students

with an opportunity to discuss any questions from the comments, but also demonstrates to students that I value this learning activity sufficiently for it to warrant lesson time.

From the focus groups, one high-achieving student thought her work had become poorer as she associated more detailed feedback with inferior work. As a high-achieving student she was used to short comments, as opposed to detailed feedback. This supports the work of Wiliam (2011), who also found that high-achieving students perceived more feedback as a sign of degrading quality of their work. Wiliam (2011, p.129) suggested a solution to this was to opt for what he terms the "three questions approach" which involves the teacher writing three questions on student work which the students need to reflect on. The students then answer these three questions at the bottom of their piece of work during lesson time to emphasise that the teacher values this activity highly. The main advantage of this solution is that each student has three questions to consider irrespective of ability and so all students have the same amount of work to do, and these questions posed by the teacher provide an excellent form of differentiation to help accelerate improved student performance.



OVERALL CONCLUSIONS

Even though Black & Wiliam (1998) suggest benefits from peer-assessment are inconclusive, there are very important indirect benefits, which need to be taken into consideration. Whilst students are peer-assessing the work of others, peer-assessment frees up teacher time to be able to develop appropriate strategies for any students who may benefit from such interventions. These learning gains that may arise from peer-assessment would not have been possible had the extra teacher time not been made available because of peer-assessment.

Self-and peer-assessment were popular with my students, especially peer-assessment, as they enjoyed opportunities to discuss their work in student-friendly language with peers. Comment-only marking was initially met with mixed feelings, mainly due to its unfamiliarity given the culture of the school, as students expected a mark to accompany the comments. For the effects of comment-only marking to be more impressive it will require a more widespread approach by teachers, (Black et al, 2003). As the schools teaching and learning mentor commented in his survey response *"the culture of the school is such that students expect to be spoon-fed, and formative assessment needs a whole school change in emphasis rather than a piecemeal approach"*.

Some strategies worked better than others, such as peer-assessment compared to the use of writing frames. Furthermore, some strategies yielded results sooner than others, such as increased wait-time resulting in fewer incorrect student answers, whereas others took longer for students to adjust to, such as comment-only marking. Whilst self and peer assessment take time to develop and embed as part of teaching and learning within Economics education, the benefits to departments who persevere will be better student performance not only in tracking tests but also in terms of the final summative examination.

It is clear from the literature and my own research that formative assessment is not an educational panacea, and nor is it a quick-fix solution, requiring a whole-school focus if the full benefits are to be realised. However, as much of the literature reports, introducing formative techniques is time consuming and this acts as a major barrier to its implementation, (Black and Wiliam, 1998; and Clarke, 2005). As a result, despite its virtues, it is often ignored as teachers prioritise other activities, which they absolutely have to adhere to. As a Humanities teacher at my school commented in the survey *"whilst I am convinced of the benefits of formative assessment techniques, I feel there is a pressure on time"*.

One of the major foundations of good assessment practice is that assessment criteria are clearly communicated to students, and this applies irrespective of the form of assessment selected. Overall, the formative techniques led to highly engaged pupils in lessons who were not afraid to make mistakes. Moreover, as Economics teachers, we need to be aware of the inter-relationships between the form of assessment, levels of student motivation, and a general interest in learning, for the love of learning, rather than students viewing learning as a means to an end.

Perhaps the main implication arising from my study was the important learning gains that can be achieved through student explanations to their peers. Whilst students are comfortable interrupting each other, they are less comfortable interrupting the teacher. However, if teachers allow students to interrupt the teaching process to resolve any queries or misconceptions, this can really enhance learning as it can avoid the development of deeper misconceptions, and crucially, students do not 'forget' the question they were going to ask by waiting until the end of the teacher explanation. Clearly, not all teachers will be comfortable, as some may view this as an erosion of the teacher authority, however, my study demonstrated that if teachers allow this to happen it can ensure that students remain in their 'growth zone'. As I only teach sixth form classes, usually with around 12-16 students in each class, such interruptions without behaviour management issues are feasible, however, I question how generalisable this would be with younger students and larger class sizes.

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SPECIAL FEATURE: THE NEW BTEC TECH AWARDS LEVEL 2 - TEACHING THE COURSE FROM SEPTEMBER 2018

Image: © Pearson Education Limited



Remy Shelton shares her experiences of planning for and delivering the new Tech Award in Enterprise.

Having taught BTECs for a number of years, it was a natural progression for my centre to remain with Pearson and start the new Tech Award in Enterprise at Level 2. For me, background knowledge of the course before delivery is essential. I need to get my head around units as a HOD but also for delivery purposes as a class room teacher. The natural first step was to sign up for the 'getting ready to teach' events. I truly find these events beneficial and extremely well-planned. The four hour event consisted of in-depth talks around the specification and the three components of the course. Unlike the NQF, units are now referred to as components and the requirements of the course at Level 2 has gone from four units to three components, which I feel leaves more time for teaching and learning around the key contents and themes of the topics.

The event provided opportunities for discussion of ideas and to share good practice within our groups. The leader of the session went through each component and allowed practitioners to mark practice assessments and actual sampled work. We examined each assignment brief and shared opinions on how to tackle each assessment task. As a QN of my centre, I always ensure and recommend any new staff or staff delivering new courses to attend these helpful and most importantly, free events. I do find Pearson led events to always be quite well organised and useful. I also just find it really helpful to have the opportunity to speak to other centres and get a natural feel for the course first.

I still use my practice materials today and also gained a few emails from other teachers who have started the course already with their year 9 groups. This is definitely something I would like to introduce within my centre and can see the real benefits as a Head of Department and also for cross-curricular opportunities. Myself and my teaching team then signed up for the new Tech Award updates via email and of course joined the Facebook page. So many teachers are successfully into their second year of the course and are kindly sharing resources, ideas and provide regular tips on delivering assessment tasks. Before we started delivering the course in September 2018, I had already built a bank of resources that had been kindly shared. Thank you in advance if any of you are reading this article now.

As departmental budgets are tight, I needed to really decide on what would be the bare minimum for bought resources. The student book has been a great buy so far, alongside the active learn package of resources and worksheets. The book is very student friendly, with each component clearly labelled and referenced throughout. I have found the activities in the book to work well as starters and class activities for when key content is being delivered. The 'did you know points' have often been scanned onto the board to allow classroom discussion to take place. I have found the 'getting started' tasks to work really well as starters to settle my big class of 28, mixed ability and sometimes challenging group. Finally, when following the book for unit content I finish with the assessment practice.

I usually set this task one to two weeks before hand out dates on my assessment plan. This task allows me to not only see which students are more likely gain a Distinction Level but which students may need to really check their understanding, before attempting their actual assessment activity. I tend to write the tips from the activity on the board and I usually turn the checkpoints into a table. This allows students to clearly see how to improve their work (strengthen tips in books) and how to get a higher grade (challenge tips in book).

The active learn package that I bought was full of useful worksheets which are all labelled alongside the topics from the unit content. These worksheets act as my weekly homework sheets when assessment activities are not taking place. Tasks range from Research activities to links to further online resources that students can use to answer their set questions. The online resource that usually comes with the package is also beneficial. This allow you to create an online library that can be shared amongst your department. The most valuable tool has been the online version of the text/student book. This has allowed me to go through the text or activities on the whiteboard. The online version of the text also appears with a tool bar of drawing tools, which helps with teaching and learning of new terminology.

In terms of delivery, we are running the course over the two years with the potential of running the course from year 9 in the near future. We have planned to complete Component 1 this year and hopefully start Component 2 within the summer months. We will then put Component 2 on hold and start the exam element of the course in the September of year 11. We will then focus only on Component 3 from September to February. This way we can focus exclusively on teaching the content of Component 3, for an exam sitting in February. Having coursework tasks alongside teaching exam elements has not always been successful for us and the students really struggle to balance two units at the same time as KS4.

Looking at the content needed for Component 3, it was great to see some cross-over from the NQF first award at Level 2. As a department, myself and my teaching team have started no planning for the exam element as of yet. However, old resources will definitely be used and adapted to meet the requirements for Component 3. Break-even analysis, cash flow, sources of finances and

balance sheets are just a small number of topics that have been previously taught on the NQF specification. As for the promotion element of the Component, I think some Level 3 Unit 2 resources can be adapted to support the teaching and learning of the required content. Advertising and segmentation are definitely covered in Unit 2 for Level 3, meaning sometime maybe saved when planning these topics.

I will be definitely seeking support and resources from the networking and social media pages when planning for this component. As for the format of the external assessment, I quite like the look of required tasks, compared to the online assessments for the Level 2 NQF course. Of course, the assessment appeared to be easier with the Level 2 NQF requirements but I honestly think my students will find the written task accessible, once studies have been taught all of Component 1 and most of Component 2 have been taught. So far, I honestly feel the Tech Award really flows and allows students to develop strong subject knowledge and acquire a strong skills base, preparing them for their assessment.

Finally, I like how the assessments are based on entrepreneurs and refer to possible business scenarios. This will allow students to visualise the question when answering. The assessments will clearly require students to remember a number of key financial Formulae, which is no different to the assessment from the NQF award. This will also be great practice for those KS4 students who wish to progress onto KS5. Having taught the Unit 3 Financial Unit, it is apparent that there is again cross over with topics taught within the Tech Award and Level 3 RQF course. Again, making the Tech Award a natural progression for Level 2 learners to evolve. I feel most of my Level 2 learners will definitely be well- equipped in knowledge, if they decide to continue at KS5. Overall, I have had a positive start as a HOD and classroom teacher of the Tech Award course. I think Pearson have developed a great course based on what we have experienced so far. This course appears to be more manageable and a front-runner alternative to the GCSE route in Business Studies.

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SPECIAL FEATURE – BTEC LEVEL 1/2 TECH AWARD IN ENTERPRISE

Colin Leith from Edexcel introduces the new BTEC Tech Award in Enterprise.

The new BTEC Tech Award in Enterprise is gradually replacing the BTEC First Award in Business as the First Award loses its recognition (after 2019) as a qualification included in the DfE performance measures.

The Tech Award is made up of three components rather than units, to emphasize the integrated nature of the content. The third component (Promotion and Finance for Enterprise) is externally assessed and the external assessment is synoptic, potentially assessing content from all three components.

When planning the delivery of the course, the timing of

three components needs to have been all delivered (although not necessarily assessed) by January of Year 11. The other consideration may be a desire to have work sampled in Year 10. This would mean that you would need to plan to have an internally assessed component (Component 1 probably) ready for sampling by early May in Year 10.

The delivery plan would then be to complete Component 1 by early May in Year 10, to teach (but not necessarily assess) Components 2 and 3 from May to December/January and then to assess (or finish assessing) Component 2 after the February exam sitting.

Fig. 1: Outline structure of the BTEC Tech Award in Enterprise

Component titles	Assessment type	GLH	% of Qual
1. Exploring Enterprises	Internal	36	30
2. Planning and Pitching for an Enterprise Activity	Internal	36	30
3. Promotion and Finance for Enterprise	External and synoptic	48	40

Component 3 is likely to have a big influence. We have moved from the on-demand model used in the First Award to an exam which is available twice a year. The flexibility of on-demand testing has been lost but visibility has been gained with access to past question papers, mark schemes, examiners' reports and grade boundaries available in the same way as GCSE. Post-results services such as Access To Scripts and Reviews of Marking will also be possible.

The Tech Award allows one resit of the Component 3 exam and if a resit is attempted the better result will contribute to the final grade. This means that it would be logical to enter learners for the exam in the January/February exam series of Year 11, in order to allow for a resit in the May/June exam series.

The delivery plan can then be built around the external assessment dates, meaning that the content from the

Component 1, Exploring Enterprises, is made up of three Learning Aims, and learners will need to base their work in each of the learning aims on the same two contrasting local enterprises. It would be difficult to ensure that the learners' work was individualised if all learners have the same responses from the same two organisations, so teachers will have quite a bit of preparation to do to help learners select different enterprises.

Early feedback suggests that this component has provided enriching opportunities for learners to meet local entrepreneurs and that this has been very motivating and beneficial for learning.

The specification states that the enterprises be local so that learners have a chance to actually meet the entrepreneurs they are investigating rather than researching them online. A letter to parents enlisting their support in finding an enterprise for their son or daughter to use through family/

SPECIAL FEATURE CONTINUED...

friend contacts might be a good way to start the planning, as well as asking school governors and careers officers for local contacts. You will probably need to arrange for visits to, or visits into school from three local enterprises to provide your learners with the opportunity to select their own two enterprises.

When selecting enterprises it is important that there is a contrast: it could be that one of the two is a small/new enterprise and one is a larger more established enterprise; or the contrast could be in what they do, in the service/goods they sell. For example a hairdressing business is very different to a restaurant/cafe/pub. There is some Sample Marked Learner Work for Component 1 on the website, and that uses a plumbing business and a florist.

It is expected that the same two contrasting SMEs will be used throughout. This means that teachers must check that the enterprises will allow their learners to cover all three learning aims. Both enterprises should engage in market research, as the learners need to use the outcome/results of this market research for Learning Aim B.

The two enterprises need to be trading in order to make a profit (or surplus) and should be SMEs with fewer than 250 employees. A social enterprise is appropriate if its income is generated from trading and not from donations or grants. The school is not appropriate. A franchise is not appropriate although a franchisee could be so long as this franchisee does some independent market research.

The content of Component 1 includes elements of the First Award in Business. On the Tech Award, Learning Aim A looks at the characteristics of enterprises and their entrepreneurs and the command verbs compare, describe, analyse and assess. In Learning Aim B learners will need to look at the market research activities of their chosen enterprises and you will need to introduce the verbs explain and discuss. Learning Aim C introduces learners to the external environment and ways of measuring the success of an enterprise and you will need to work on the command verb evaluate.

There could potentially be three assignments for Component 1 (one for each Learning Aim) and you will have to decide when is the best time for your learners to tackle these. You may wish to assess Learning Aim A as soon as the teaching and learning for Learning Aim A is complete but this is likely to be before Christmas of Year 10 and could be too early. It might be beneficial for learners if teachers were to introduce formative or mock assignment tasks before Christmas and delay the summative assessment until later, in March or April perhaps. This may result in greater success at first submission, which might in turn result in less assessment administration and more focus on teaching and learning.

Component 2, Planning and Pitching for an Enterprise Activity, provides learners with an opportunity to draw together learning from the other components and to draw up a business plan. Much of the key content for the

business plan overlaps with Component 3 and could be taught at the same time. If you taught the First Award, it may remind you of parts of the old Unit 1.

Learners start by researching an idea and then write a business plan. You will need to teach the presentation and communication skills which will be required when learners pitch their idea, and you will also need to teach learners how to use feedback to review their plan and pitch.

Component 3, Promotion and Finance for Enterprise is the externally assessed component (although the exam is synoptic and could potentially assess the entire specification).

The Promotion topic is important for the understanding of Component 2 and Target Markets could also be taught as part of Component 1 where an understanding of market segmentation is required.

There are considerable overlaps with First Award Unit 2 content on financial records and forecasting and if you taught the old Applied GCSE Business you will recognise much of the old Unit 2 and 4 content. A large proportion of the Component 3 content is required for the business plan (Component 2).

Qualification outcomes are across seven grades (Level 1 Pass, Merit, Distinction; Level 2 Pass, Merit, Distinction and Distinction*). Unlike the First Award where the Level 1 Pass was a 'fallback', the internally assessed units include separate Level 1 Pass and Merit criteria and three Level 1 outcomes are possible for the qualification as a whole. For the first time, there is also an element of compensation within an individual component. A minimum of a Level 1 Pass in all three components is required for the Tech Award to be achieved and this allows for compensation between components.

Overall, there are many overlaps between the First Award and the content you will need to teach in the Tech Award and this could result in time-savings as well as an opportunity to reuse and re-purpose teaching resources. We have provided Authorised Assignment Briefs for Components 1 and 2 and sample marked learner work for Component 1. The Sample Assessment Material and particularly the Additional Sample Assessment material for Component 3 provide a clear indication of how the exam will be designed and from summer 2019 there will be past papers mark schemes and examiners' reports available too. Specific subject support is available via teachingbusiness@pearson.com

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To find the qualification page: <https://qualifications.pearson.com/en/qualifications/btec-tech-awards/enterprise.html>

ECONOMIC LITERACY FOR EVERYONE SUMMIT 2018

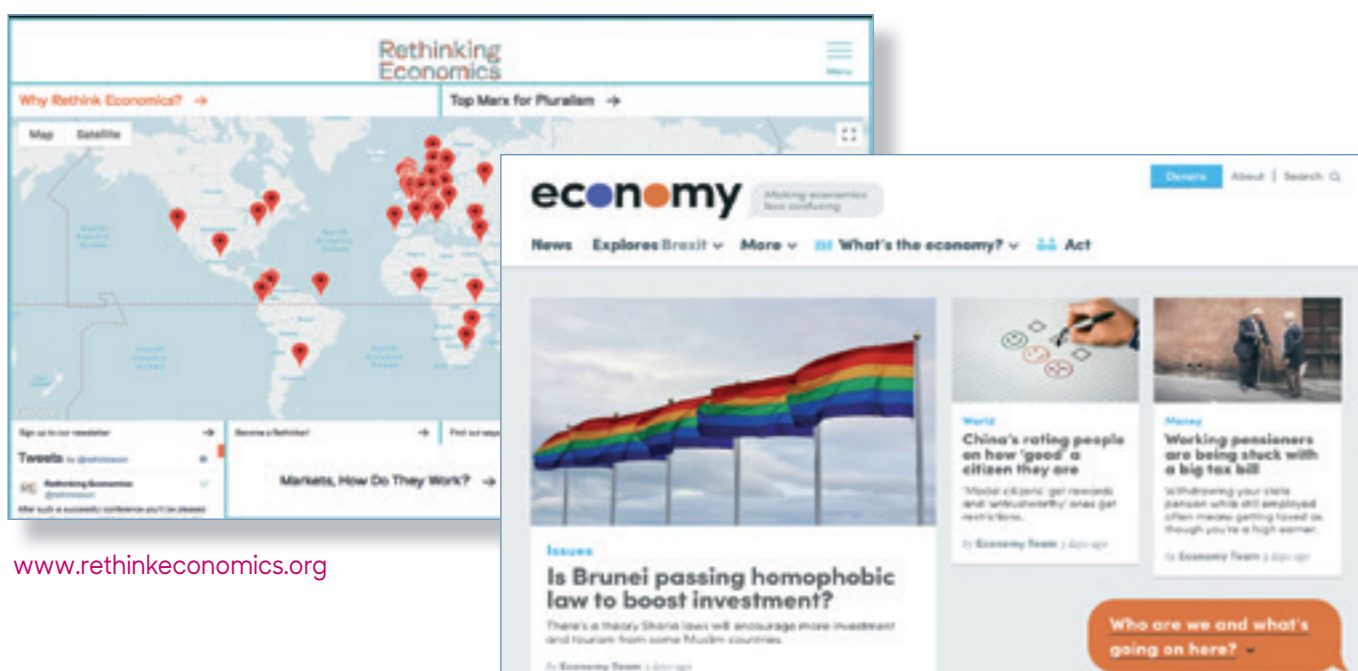
Caroline Loewenstein reports on the recent economic literacy meeting run by Economy.

On the 8th October 2018 about 80 people met at The Chartered Accountants Hall in the City of London for the economic literacy Summit 2018 run by "Economy". The speakers included Andy Haldane (Chief Economist at the Bank of England), Rachel Reeves MP (Chair of the Business, Energy and Industrial Strategy Select Committee), Steve Frampton MBE (President of the Association of Colleges), Jonathan Baggeley (Chief Executive PSHE Association) and Liz Moore (Chief Executive of the Association for Citizenship Teaching). Professional economics teachers appeared to be notable by their absence.

"Economy" is an offshoot of "Rethinking Economics" which is an organisation (originally led by students) that seeks to broaden the economics education experience of students studying economics at university. It argues that even at university level many students are taught neo-classical theory as though it is fact and that critical thought is not encouraged in classes or in the examination system. Students involved in the movement also felt that their courses paid scant attention to modern economic issues, such as the causes of the financial crash, inequality and poverty. They argued that their courses were instead dominated by the use of highly complex mathematical models with little attention being given to the validity of the often dubious assumptions underpinning them. "Economy" is also concerned that the general lack of understanding of economics in the population as a whole is undermining democracy and is also damaging individuals' ability to reach their full potential.

We must all have experienced watching television news and seeing people interviewed on the street giving their opinions on economic issues with clearly no real understanding of either the issue or the fact that their ability to discuss it is very limited. There are clearly many other people who are only too aware that they have no or little understanding of economics and see it as something inaccessible and of no real relevance to themselves. We have also all heard, with feelings of great frustration, politicians coming up with phrases such as "government budgets are just like household budgets" and the "UK is still the fifth richest in the world" and then hearing them repeated again and again because people are not equipped to think about such statements critically and politicians can therefore use them to gain popularity. The organisation "Economy" exists in order to tackle the problem of economic illiteracy and to equip as many people as possible with a basic understanding of economics and the tools that they need to critically examine the messages that they get through social and other media. More specifically their aims include enabling people to:

- Question economic data and the way politicians and the media discuss economic issues
- See how different groups in society (for example racial, socio-economic, gender) are affected differently by economic policies and how membership of such groups affects an individual's opportunities in an economy



www.rethinkeconomics.org

www.ecnmy.org

- Identify ways in which they can, as individuals or as part of groups, influence the economy.

Some research has been carried out to support and inform the organisation's endeavours. The findings include:

- 39% of respondents felt that they could define "GDP" and 30% "quantitative easing". (Those who have experience of teaching economics are likely to think that the proportion of the population who can actually define these terms is somewhat lower).
- 60% identify as having had no economics education. (This means that 40% have had some economics education which seems a surprisingly high figure).
- Those without an economics education see economists as people who are disconnected from reality and therefore do not trust economists.
- 75% think that economics education should be included in the school curriculum.
- Only 12% of adults think that the media and politicians talk about economics in a way that is understandable.

"Economy" has so far sought to achieve its aims through putting materials on its website, providing crash courses in economics and working with schools to increase the economics content of the curriculum.

On the website (www.ecnmy.org) there is a constantly increasing number of articles that seek to explain headline economic issues and make them comprehensible to all. The articles are on a wide variety of topics, for example "China and America's trade war just got even bigger", "What we know about a no-deal Brexit" and "The government deficit is lower than it's been in a long time. Is this good news?".

So far four pilot crash courses in economics have been run. The courses are six to ten sessions long, each session lasting two hours. The courses consist of a mixture of individual and group activities, discussion topics and visual materials. All materials aim to be relevant to the participants and use jargon free language. The idea is to enable participants to appreciate how a knowledge of economics can be applied to their daily lives. During the day we heard from two facilitators and two participants of these crash courses and it was clear that the courses had been delivered using a variety of engaging group activities that were designed to raise awareness of economic issues and the impact they may have on individuals and society as a whole.

"Economy" has worked in schools with children and young people from a wide range of age groups from 4 year olds to year 12 students. Some of this work has formed part of the research into how people feel about economics and some of it has involved delivering courses over an eight week period to year 8 and year 12 students in two schools. A 12 week extra-curricular programme has also been developed for year 9 and year 12 students. The hope is that by giving year 9 students an interest in the subject, more of them will choose to study economics at GCSE and during the day we met some year 10 students who had chosen to do this. Most state schools, however, do not offer economics at this level and with the current constraints

facing them at the moment it seems unlikely that this situation will change significantly in the near future.

"Economy" is also working towards increasing the economics content of Citizenship and PSHE courses. Currently the main emphasis of the economics part of many PSHE courses is financial literacy. There is no intention of replacing this but rather broadening what is offered to include the skills that students need to understand their own roles within the economy and to critically assess economic statements that they encounter through social and other media.

The aims of "economy" are ambitious and the amount that it has achieved since it was first established in 2015 is impressive. There does not appear to be, however, much hard evidence of the degree to which participants understanding and skills have actually improved; most of the evidence appears to be just the opinions of the participants on their own progress. The use of the materials in the classroom is also probably limited if they are not being delivered by a professional economics educator. Another problem is that to actually achieve a significant increase in economic literacy in schools, let alone in the population as a whole, is likely to be difficult in today's cash-strapped education system. It is also a matter of priorities both in schools and for government education policy. Schools believe economic and financial education is important but do not see it as a priority among competing demands on curriculum time and resources. The government has again failed to make the E in PSHE statutory. The current Ofsted framework does not even look at personal development as a whole, let alone economic and financial literacy (although the current HMCI gives some hope that the emphasis may be shifting away from the domination of examination performance to wider measures of achievement and preparing young people for life).

However, the more of us who share the vision of an economically literate population and are willing to contribute to the cause, the more likely it is to actually come about. A valuable contribution could clearly be made by teachers with substantial experience of teaching economics in schools. Opportunities for contributing can be found on www.ecnmy.org.

SOURCES AND FURTHER READING

www.ecnmy.org

www.rethinkeconomics.org

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TEACHING BREXIT TO BUSINESS STUDENTS THROUGH THE 'SPYHOLE' OF FOREIGN DIRECT INVESTMENT

Russ Woodward and Tim Veal advocate a less emotive approach to evaluating the impact of Britain's departure from the European Union

INTRODUCTION

While numerous aspects are to be finalised, it is fair to say that Brexit and the Brexit vote 2016 gives rise to the biggest development in the UK business environment for many decades, i.e. that of (almost certain) departure from the European Union, EU.

It is also accurate to say that much of the referendum debate of 2016 was of fairly poor and limited quality as far as business economics impact was concerned. The political and emotive aspects, while important, somewhat overrode the business economics to the extent that even within themes of business economic relevance – practical elements were unable to strongly come through and the issues were easy to draw into the emotive sphere. In the context of finance, the fairness/bias of the UK net contribution was put centre stage, as well as NHS direction of Brexit related savings; when considering the EU's free movement requirement, the migration issue received a very emotive treatment; in terms of EU decision making, the supremacy of the European Court of Justice jurisdiction over British laws and courts was the focus. On themes where specific business economic concerns were raised and linked to Brexit, they were frequently packaged as project fear – or as evidence of undue pessimism about the robustness of the UK economy to cope with the likely impact of EU departure. The other area in which genuine economic and trade issues were discussed was with regard to the UK trade balance. It was a staple argument of some of the leave proponents that the UK's substantial trade deficit in goods with Europe gave Britain relative strength in any post-Brexit trade talks. However, these arguments were marginal compared to the social-political concerns highlighted.

Perhaps the greatest evidence that suggests the debate was ultimately shaped by matters such as migration rather than economics are the opinion polling numbers. From the beginning of 2016, the Remain campaign held a steady lead in most polls as the focus was primarily on the dislocation Brexit may cause. On May 26th, the Office for National Statistics (ONS) produced their figures depicting a rise in net migration to 330,000 for the previous year (BBC, 2016). This provided an opportunity for the Leave campaign to capitalise and announce their intention to implement an Australian-style points system post-Brexit. Three weeks later, Leave were consistently ahead in seven opinion polls (Curtice, 2016). Many political and economic commentators have suggested this provided a turning point in the campaign which put the status-quo on the back foot.

EXISTING TEACHING RESOURCES AND BUSINESS EDUCATION COMMENT ON THE BREXIT ISSUE

With regard to teaching and learning, e.g. guidance and resources – difficulties have endured as far as the business economics perspective is concerned. While more is said about higher education institutions and Brexit coverage later, the enquiry/investigation into who at University level has been teaching modules involving Brexit suggests that a dispassionate approach – even in parts – may be hard to pursue.

Looking at school and FE resources and guidance, the bulk of what was provided during the debate and subsequently, for example through the Times Education Supplement have focussed concern on overarching issues – e.g. history and citizenship, or framework guidance on in class debate activities where the content of points is left to the students/pupils to research. Even in the Economist Foundation resources for the TES on Brexit, TES (2016) – in the economics section – placed alongside migration and sovereignty sections – there is reference to arguable trade and business location impacts of Brexit, but no theory – elementary or sophisticated – onto which to thread these points. At the same time, in the months following the Brexit vote, education media have asserted to those pursuing the highest level of business education, i.e. MBA, that an understanding of how Brexit may play out for the UK in business economics terms could be key to graduate employability and job success (FT, 2017).

THE PRACTICAL THEORY PROPOSED

As a way of moving matters forward and equipping argument whichever side of Brexit/Remain is favoured, it is advocated here that a fairly practical and uncontentious piece of conceptual economics is deployed to the issue, i.e. theory surrounding Foreign Direct Investment, FDI. As noted in the majority of business economics texts FDI denotes commercial investment into another country of a sort that involves creation – or expansion – of tangible business activities there, e.g. factories, offices, mines, restaurants, shops.

In terms of underpinning theory, while through the years there has been debate as to the main drivers of FDI – for teaching at most levels an eclectic paradigm model of three determinant features has been arrived upon in practical terms. The eclectic paradigm – most frequently



associated with Dunning (1981), combines the following features.

O Ownership Specific Advantages, i.e. strengths of the firm(s) involved, to show why they are active in the FDI and the sector.

L Location Specific Advantages, i.e. strengths of the place in which the FDI is located.

I Internalisation Specific Advantages, i.e. reasons why the activity stages in the FDI chain, both the home country FDI source activity and the host country FDI destination activity, are under one firm rather than separate supply chain participant firms.

It is suggested here that this paradigm – with real and/or hypothetical examples – be applied to the UK under EU membership and Brexit scenarios.

As economic theories and models go, the OLI paradigm is not only practicable in a ground level way, but also avoids some of the problems that a lot of economics content entails for business students; examples here would include the need for deriving marginal optimisation solutions, as well as the requirement for *ceteris paribus* – other things being constant – assumptions at numerous stages. These aspects have been noted over the years by practitioners as blockage aspects for business students studying economics content (see Simatele, 2010).

In terms of pre requisite content ahead of application, noted here are the business basics of what EU/Brexit means, i.e. participation in/departure from:

- Customs Union (with defining coverage)
- Single Market (with defining coverage)
- Common Policies – which here refers to a swathe of EU common policies taking the form of both specific support and particular regulations, e.g. EU Enterprise Policy for SMEs, and most famously EU Common Agricultural Policy for farmers.

In terms of example application of OLI in UK/EU setting – an often taught real world scenario is that of Japanese car FDI into the UK. This is a very reasonable and fair example to use as the Conservative government in the late 80s incentivised investment precisely on the access to the

single-market the UK offered. While the firm strengths – Ownership Specific Advantages pertain to features of the Japanese companies themselves (Nissan, Toyota, Honda: Brand, Technology, Management Methods), it is the L Location specific advantages and I Internalisation specific advantages for which EU membership/departure may be pivotal.

For UK within the EU, L would include access to the large mainly affluent EU integrated market, and I would include production/assembly by the firms inside the UK satisfying EU rules of origin for avoidance of tariff costs. Other considerations may include the UK as a more competitive location in terms of corporation taxation and regulation, something some more vocal Brexit supporters have suggested could be relaxed further.

One notes here that Brexit as SEM and CU departure would jeopardise the stated L and I advantages for the UK to receive inward FDI from Japanese automobile firms. Ability to apply a piece of practical business economics theory to the EU/Brexit issue in a way which – among other things – helps make sense of business stories emerging in the quality media, should help students at all levels to develop confidence on the topic in business studies terms.

A BALANCED APPROACH

It is noted that over the years numerous examples have been used to apply eclectic OLI theory to FDI into the UK – with Britain being part of the EU, and previously the European Community. As such there is a wealth of resources and experience in the topic which de facto point to EU membership as key to inward FDI and thus imply the likely detrimental effects of Brexit. In view of this it is strongly advocated that teaching staff gives scope for any countervailing FDI forces that may exist to come through. For example, in the Japanese car FDI setting, recognition that several other (non-EU) L location advantages may make the UK attractive, i.e. a very skilled workforce in the sector, and the importance of the UK market in itself. More widely there should be scope for debate as to whether EU membership is necessarily locationally advantageous for FDI, e.g. the above noted regulation of EU common policies may be depicted as burdensome (though key to EU market access), with departure itself giving location advantage. Most ambitiously – there should be consideration of the

potential for UK trade policy achievements outside of the EU, e.g. application of FDI theory to a UK that is part of a US led free trade area would bring its own locational and internalisation advantages.

LINKS TO EXISTING PROJECTIONS, IMPACT DOCUMENTS AND ANALYSES

In relation to the most advanced – though in many respects accessible for multiple levels, it is the view of the authors here that the most courageous and effective projection/impact work on Brexit, including with regard to FDI, by eminent educational institutions to date is the London School of Economics Centre for Economic Performance documents, produced very promptly after the Brexit vote. Other eminent sources have of course produced important work, e.g. an edition of OXREP (Oxford Review of Economic Policy) with a variety of articles focussed on Brexit (OXREP, 2017). From the same university, the award winning and accessible blog page 'Mainly Macro' by Simon Wren-Lewis often turns very effectively to the Brexit debate. Nonetheless as a cohesive set of organised, focussed and directly informative papers, the LSE (2016) impact work is most strongly highlighted here. Drawing directly back to the Brexit FDI theme of this article, the Executive Summary of the LSE's Foreign Investment impact paper is a useful and accessible support resource for school, college and HE teaching and learning on the topic.

In terms of Brexit impact resources by commercial organisations now in the public domain, the work by KPMG (2017) is interesting – including the UK sectoral analysis of EU labour market exposure and EU trade exposure, in that it is well oriented to the key elements of Customs Union and Single Market (and departure therefrom) as well as being pictorially informative and accessible on those specific sectors.

REFLECTIONS, INCLUDING TEACHING, LEARNING AND CURRICULUM THEORY

In addition to bringing business sense to the coverage of Brexit, while avoiding some of the emotive political aspects and the undesirable abstraction aspects of economics, it is reflected here that the eclectic OLI paradigm of FDI constitutes a threshold concept in business economics in the criteria model originated by Meyer and Land (2003). The OLI model itself makes transformative sense of practicality and brings several key aspects together. The integrative aspect of OLI should be noted as going further in business economics in that Ownership Specific Advantages can be linked to company SWOT analysis; Location Specific Advantages can be linked to PEST analysis; Internalisation Specific Advantages can be linked to transaction costs and motives for vertical integration. In view of this, the OLI paradigm in business and its linkages to other frameworks can be a form through which students can begin to deploy synthesis in their work – often considered to be a higher order cognitive capability including within HE.

While FDI theory does not cover all the business economics needed for an assessment of the implications of Brexit

(hence the use of 'Spyhole' in the title), it is a relatively practical line of enquiry, very accessible to students not majoring in economics, which nonetheless allows for differences of view and prediction to be put forward.

Russ Woodward (Business Tutor, University Centre, Grimsby Institute Group)

Tim Veal (Business Tutor, University Centre and The Academy, Grimsby, Grimsby Institute Group)

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'MINDFULNESS' IS ALL VERY WELL BUT HOW ABOUT SOME 'FACTFULNESS'?

Ruth Corderoy reviews 'Factfulness' by Hans Rosling and extols the importance of better data interpretation.

In an era where the phrase 'fake news' has come to dominate political and economic discussion and where a number of businesses seem to have signed off sets of accounts that should really have been published under the heading 'crime fiction', the role of economics and business educators in helping students to understand data and judge the veracity of what they are reading has never been more important.

As teachers and lecturers we are a highly educated bunch and as such we rather tend to pride ourselves on not being taken in by stories and misleading figures and graphs. After all, we are not 'ignorant rednecks' or stupid 'little Englanders' are we? But I wonder if some of this confidence is occasionally a little misplaced and if we always know as much as we think.

I've just finished reading *Factfulness* by the late Hans Rosling that really should be on the reading list of every economics, politics, business and geography teacher and ideally that of their students as well. In it he sets out to show that even quite highly educated and influential people are often quite wrong about basic statistical data and labouring under misapprehensions that have considerable implications for business practice and economic policy.

Rosling (a global health professor before his death) conducted a series of questionnaires¹ about global data with some highly educated audiences, all of whom would have considered themselves well-informed, and found rather startlingly that most of them did very badly. They did so badly that in most cases they would have been outperformed by chimps guessing at random. Most alarmingly of all he ran part of the questionnaire at the 2015 Davos World Economic Forum and found that although they did quite well on poverty, they were wrong on population growth and primary health care. I also tried the test and although I did better than his audiences (and even, thankfully, out-performed the chimps!) I did not score 100%, or even close, which made me pause.

Like any decent teacher I have never claimed to be all-knowing and infallible but I tend to do well on knowledge tests and pride myself on being pretty good at data interpretation so, slightly stung but open to learning more, I read on through the book.

Rosling's findings imply more than ignorance (which would

roughly give the chimp's result), they imply a systematic problem because highly educated people were not only consistently getting worse results than chimps but they were consistently erring on the side of pessimism. As Rosling put it 'Every group of people I ask thinks the world is more frightening, more violent, and more hopeless – in short, more dramatic – than it really is'².

Rosling has a theory as to why we tend to be over-pessimistic, which draws upon some of the interesting work on the border where psychology, economics and statistics meet. He asserts that the human brain often jumps to conclusions without much thinking and has a craving for stories and drama³. He develops this in more depth in chapters 2 and 4, 'The negativity Instinct' and 'The Fear Instinct', by showing that we tend to over-select scary news and give it undue weight (the media understands this all too well: 5000 planes landed safely today is NOT a news story, one near miss, or even better a crash, is).

He points out that this over-weighting of bad news is compounded by some fairly basic statistical and data interpretation errors:

1. We often fail to understand the difference between a level and a direction of change. For example child mortality in some countries may be quite high but over time it is improving so things are actually getting better (although the job is not yet complete). Moreover since gradual improvement is rarely reported (not dramatic enough) but any occasional dip is reported then the focus will tend to be on the dip rather than the underlying trend.
2. Even where data shows an increase in negative effects (e.g. rising crime levels) this may be due to better reporting and data collection rather than actual increases.
3. The straight line instinct tends to mean that when we extrapolate data we tend to assume a straight line whereas often trends turn out to be S shaped, humped or even exponential.

He further develops some of the psychological assumptions by noting that we tend towards being binary, we like to divide the world into 'us' and 'them', into 'haves' and 'have nots' into 'developed world' and 'under-developed or developing world': Africa is 'poor', Italy is 'rich', whereas reality is more complex than this. This has obvious implications for overseas aid programmes and the





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like but it also has some interesting implications for private sector marketing and investment⁴.

Space does not permit an exhaustive discussion of all Rosling's points and I'm not entirely convinced by some of the optimism, which feels a little rose-tinted at times, not least because he falls into a couple of traps (possibly under pressure to simplify for a general audience) when it comes to income. Of course \$2 per day is better than \$1 per day but to call level 2 income of \$2-\$8 a day 'middle income' is stretching things a bit, indeed level 3 (also 'middle-income') only takes it up to \$32/day. So his assertion that most people live on 'middle incomes' might be technically correct but answers that say 'low income' might be more about definitions than ignorance and negativity bias. Secondly he correctly points out past trends in increased income levels in his home country of Sweden but I'm not sure how legitimate it is to go from there to assuming similar progress in other nations.

Rosling points out that cultural and racial stereotypes are useless for understanding and analysing the world and I'm with him there but he rather glibly skates over the influence that belief systems have on economic development. The figures show that broad brush definitions of faith (Islam, Christianity, Hinduism) have no impact on economic progress but it might be interesting to disaggregate a little to different branches of the major faiths. Certain beliefs clearly have a huge impact upon education of women for example and since he himself points out that educating women is one of the best ways to improve all sorts of economic indicators, he does rather duck out of that one.

Overall the book is a useful corrective and should be widely read and its main lessons taken on board, particularly by those of us who aspire to educate others. It can be difficult for us 'experts' to admit sometimes that our knowledge is faulty or our interpretations are not flawless but we should start with ourselves and just check what it is that we are teaching and how well we are equipping the next generation to think clearly, calmly and accurately about the world around them.

Rosling ends the book by saying 'I have found fighting ignorance and spreading a fact-based worldview to be sometimes a frustrating but ultimately inspiring and joyful way to spend my life...And I have found it exciting to finally start to understand why spreading that knowledge and changing people's worldviews have been so damn hard'⁵ That sound like a rallying cry to those of us to aspire to be educators.

Economics and Business are rarely seen as pastoral subjects, unlike English or Religious Studies, or even History, where pupils are often encouraged to engage emotionally with the material. Yet the subjects actually cover areas of huge emotional and practical significance: income, wealth, production and consumption, health expenditure etc. etc. At a time when surveys tell us that UK young people are pessimistic about the future despite often being materially comfortable and highly educated compared to previous UK generations perhaps Rosling is onto something. Maybe a dose of careful, calm factual analysis of data and trends will do just as much good as sitting and meditating and you never know you might be able to get a slice of the pastoral budget for the economics department!

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1. *The test can be found on pg3-5 of Factfulness by Hans Rosling Sceptre Books 2018*
2. *Ibid pg 9*
3. *This lack of total rationality is developed in much greater depth by Kahnemann, Gladwell and Thaler*
4. *Ibid pg 149 where Rosling has a fascinating discussion about the marketing and selling of sanitary products but it could equally well be beer or mobile phones.*
5. *Ibid pg 255*

RESOURCE REVIEWS

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The Future of Capitalism, Paul Collier,
Penguin Random House UK, 2018, 248 pages,
hardback £20, ISBN 978-0-241-33388-4

The author describes this as a personal testament; certainly it is not an economics textbook. His 2007 best seller, *The Bottom Billion*, examined the reasons why so many countries still had large numbers of people whose incomes had not increased. With this book, the focus is on the way inequality is increasing, and what could be done to redress this. The author looks back at the country Britain was in the post war period up to the 1970s. He explores the impact of increasing knowledge and rising productivity and addresses the consequences of recent developments that show that capitalism is increasingly based on greed. His writing draws on his accumulated understanding of economic problems but also digs deeply into political and sociological issues.

Collier's wide view takes in capitalism and populism, the marginalised whose skills have lost value, the left-behind and the process of "bulldozing communities which had given meaning to lives". He refers frequently to *reciprocal obligations*, those customary habits whereby friends, neighbours and families supported each other in times of difficulty. He sets out to demonstrate that a culture of moral purpose is needed in order to steer our society towards an 'ethical capitalism' based on values.

Part 1 of the book starts with *The New Anxieties*, set out above. Part 2, *Restoring Ethics*, covers the potential changes that states, businesses, families and the world could implement so as to create significantly improved lives for the disadvantaged. Collier has a vision of a world in which "moral purpose" is at the heart of policy making.

Part 3, *Restoring the Inclusive Society*, addresses the causes of inequality, the growth of the very big, prosperous cities and their impact on those cities and towns that have lost out in the globalization process. He explores the case for taxing the metropolises and those who have benefitted

from the appreciation of urban land. He considers the way in which the deskilling of many jobs has left many employees without self-respect and with few sources of pride in their work. The way the housing situation has developed, and the many possible ways forward, figure here.

This section of the book concludes with a survey of the effects of globalization. *"The net effects are positive, but globalization is not a unified phenomenon that has to be adopted wholesale or rejected in its entirety. It is a ragbag of economic and social changes... the task of public policy is to encourage... what is unambiguously beneficial"*. Policies can be devised to compensate identifiable groups facing significant losses and to discourage global activities that will redistribute income in ways that cannot be compensated.

Part 4, *Restoring Inclusive Policies*, suggests political changes that will appeal to some but not others. It addresses the problems associated with polarized politics, suggesting that UK leaders should be elected by MPs rather than party members; MPs are more likely to select the ablest leaders and this will tend to shift parties back to the centre. Again, this chapter stresses the importance of shared identities and a shared sense of belonging, as essential elements in the creation of a humane society

that ultimately benefits all.

Throughout the book, the author cites the big thinkers of the past and recent times as well as referring to current research – the five pages of bibliography attest to the careful construction of the author's views. He perceives both Marxism and *"capitalism driven only by greed"* as equally mistaken. He sees the fruits of capitalism as increasingly beneficial to a relatively small group of people, so *"generating humiliation and division but not mass prosperity"*. The conclusions draw on a very wide range of sources; few thinkers range so freely across the available research. One thing is puzzling – the absence of any reference to corruption, surely a major factor in our failure to prevent rising inequality.



The Future of Capitalism got into the FT's list of Books of the Year, last December. Martin Wolf selected the Economics books. Perhaps he should have the last word. *"Rejecting the illusions of the ideologues and the populists, he (Collier) puts forward pragmatic, provocative and perceptive ways to deliver widely shared prosperity, by restoring an ethical basis to our national politics, companies and families."*

Nancy Wall has stopped teaching and writing textbooks but is still a trustee of the EBEA and the Reviews Editor for this journal.

Meltdown, Chris Clearfield and András Tilcsik,
Penguin Press, £14.99, 2018,
ISBN 9781786492241

When I picked up this book, with its tagline of 'why our systems fail and what we can do about it', I was unsure of what to expect. There are plenty of 'failures' and potential disasters in the world, so this book should be particularly relevant.

Sadly I found it anything but.

In the prologue, the authors state that this is a book of two parts. The first to investigate why systems fail and the second to look at solutions. I found many of the case studies of system failure interesting, but eventually repetitive. Many of these 'failures' have been covered in much more detail by other books and media (the Challenger disaster, the Enron scandal to name but two). I found the authors' slightly dramatised version of these failures to be irritating and too basic. The end of most of these stories usually led to a pronouncement that they were 'complex and tightly coupled' and this had led to the failure. Well, yes – I agree, but I would have agreed before I read this book.

Despite this I found myself looking forward to the second part of the book, the solutions. This should be where the book comes into its own. How disappointed I was. Instead of a series of solutions that might be applied to a number of these issues, what we get are many, smaller solutions, that are quite specific to the scenarios described. I found little that was

universally applicable and far too many occasions when I was shaking my head as I came upon yet another vague pronouncement about complexity.

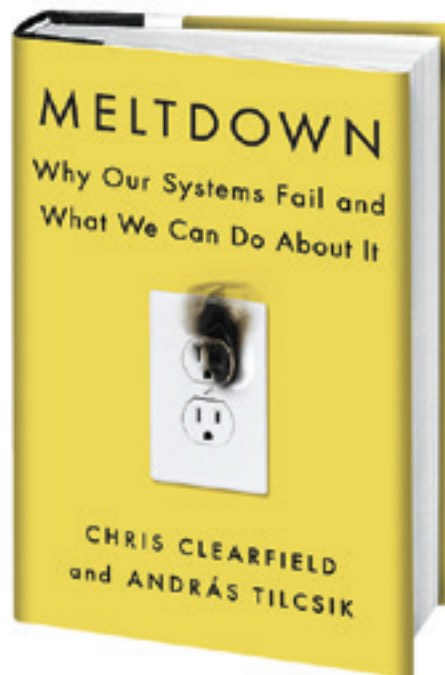
So did I get anything out of this book? Surprisingly yes.

I had been hoping for some material I could use with my economics students – or some case studies about poor management to use with my business students, but I have better case material for both of these groups without this book. The section that I found interesting was to do with management and leadership. In the middle of the book, there are some interesting references to studies about communication, power and management. Admittedly this could have been condensed into a good magazine article, but it piqued my interest and I took from it some further reading material (from the 35 pages of notes and references at the end of the book!).

Overall this book contains some interesting stories, but only as a jumping off point for learning more. If, like me, you enjoy a good business failure case study, then you will already know more than this book gives you. As for the solutions,

I took nothing away except the inevitability of the failures. Many of the solutions seemed contradictory and all very specific to the scenarios discussed. How then does one take any lesson from this and apply it to the potential 'meltdowns' in the world today? I do not think you can and, sadly, the authors never try.

Simon Dyer teaches at The Peterborough School in Peterborough.



Editor's comment: Simon is a very knowledgeable teacher who has read widely and used his powers of observation to excellent effect. If you are early on in your career there may still be something you can pick up from this book. It was one of the FT's Books of the Year in November 2018. However, it is definitely true

that a lot of very pedestrian business books find their way into what is already a very big market. Watch out!

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