

Free Markets, Government Intervention and Homework Passes: An Economics Simulation for the History Classroom

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From the Industrial Revolution and the communist revolutions of the twentieth century to modern globalization and the current economic crisis in the United States, the struggles between free markets and government-controlled economics have determined who would get access to scarce resources and the ways in which various societies have balanced fairness and equality. Providing students with a personal experience of both systems can help them develop their own sense of fairness and equality as well as help them understand the economic motives of revolutionary groups, entrepreneurs, social movements, and political candidates.

The following “Homework Pass” activity can be used at the start of a modern world history course or during any unit in which particular attention will be focused on economic issues (such as the Industrial Revolution). The activity enables students to explore how societies distribute scarce resources (Social studies standard **● PRODUCTION, DISTRIBUTION, AND CONSUMPTION**). It’s also an activity that can be drawn upon throughout the year when economic issues come to the fore. Although I use the activity in the first week of school as part of a world history introductory unit (when I don’t expect students to have a tremendous understanding of economics), the students and I repeatedly refer to the lesson as the year unfolds. For example, toward the end of the year, when we get to the collapse of the Soviet Union, I need only mention the homework pass activity to elicit student explanations of the promises and problems of an economic system in which the government forcefully intervenes to redistribute wealth.

To carry out this activity, I posted a sign before students entered the classroom that stated: “Free Homework Passes.” Beneath the sign (this could be on a window sill or table), I placed a pile of actual homework passes. These passes are small sheets of paper with the phrase, “Good for one missed homework when signed by teacher” (Figure 1). Because no society has access to infinite resources, I make sure there are not enough passes for all students. For clarity in the lesson, I suggest there only be enough passes for half of the students. The sign and the passes should be placed somewhere not immediately obvious, but at the same time somewhere that everyone would have the opportunity to see them. I usually post the sign on a side window with the passes placed on the sill. All students can see these windows, but they are not the visual focus of the room.

I begin the lesson as if conducting a lecture and define the term “economics” as the study of the distribution of scarce

resources. Usually, at about the time that I am writing this definition on the board, some students notice the homework pass sign. They react in a variety of ways. In some cases, a few students make a mad dash for the passes while others remain in their desks confused by the tumult. Sometimes, a murmur spreads through the room as students point the sign out to one another. When students look at me for direction, I shrug and ask, “What are you going to do about the sign?” Students may hesitate, but when they realize that I am not going to stop them, there is a move to grab the passes. In some classes, no one notices the sign. In such cases, I point out the sign saying something such as, “I’m surprised that you haven’t noticed anything new in the room today”; or, “If I saw a sign offering free things I would grab some!” Although there might be some initial confusion, some students inevitably get out of their seats and run to grab passes. There’s usually a lot of noise and chaos for a brief moment.

Regardless of how quickly students grab passes, the result will always be an unequal distribution of passes simply because there are not enough passes. This unequal distribution of goods is the crux of the activity. The lesson will work whether one student grabs all passes, half the students each grab one, or any other distribution.

HOMework PASS

Good for one missed homework assignment when signed by teacher

Signature: _____

Figure 1. Because scarcity is the central problem of economics, to implement the lesson print half as many passes as students in class.

Once the dust has settled and all students have returned to their seats, I survey the class so that everyone knows who got passes and who did not. If students don't raise the issue, I will point out that there are not enough passes for each student. Unfortunately for the students without passes, more passes cannot be photocopied. Our class, I point out, is confronted with the dilemma of scarce resources—a problem faced by societies around the world. Economics is based on scarcity.

At this point, I take a quick poll, "Who's happy with the way that the passes are distributed?" The students with the passes are usually happy. Many of the students who didn't get passes are angry; some are indifferent, others are happy with the outcome even though they didn't get anything. Helping students to probe the reasons behind their opinions is the essence of this lesson. Although it isn't possible to examine every possible student reaction to the situation here, the teacher should be prepared to help students explore some of the following contingencies.

Initial student responses seem to fall into two general categories. First, the students with the passes tend to justify their possession with versions of a "survival of the fittest argument." They claim that they were alert and showed initiative when they noticed the passes and ran to

seize them. To them, life is a competition of all against all, in which the victor gets the spoils. The situation was fair, they say, because any student might have gotten up to grab the passes. However, the second group tends to see the situation as completely unfair. In their minds, the competition was completely unreasonable because the winners violated every rule of classroom decorum; they got up out of their seats, they ran to the stack, and they selfishly grabbed fists full of passes. The students without passes feel cheated because they followed the rules of a traditional classroom and lost-out. Selfish students shouldn't be rewarded, according to the critics of the survival of the fittest system.

Using homework passes as currency for this activity usually draws the most disengaged students into the class discussion. And even for the most intellectually motivated students, a chance to miss an assignment without a penalty is a boon. But the passes come with the caveat that using a pass does not excuse the student from any class discussions, surprise quizzes, or test questions related to the missed assignment. I tell the students that if they get a pass, they should hold on to it for the odd evening that they might feel sick, but not too sick to miss school the next day; or when they are overwhelmed with a project for another class; when they have a big

game; or when some other emergency arises. Some students mark my words, others let the passes burn a hole in their pockets. Either way, as students use the passes, I always ask them why they chose to use a pass at a particular time. This forces them to reflect on their use of a scarce resource.

As the students discuss the distribution of passes, they tend to conflate equality and fairness. Grasping the difference between these two concepts is crucial to understanding the basis of free market and command economics. To clarify the terms, I often ask students to explain how the passes could be distributed equally. Because there are twice as many students as passes, students initially have some difficulty with this. Eventually, someone suggests that it would be most equal if everyone gets half a pass, allowing all holders to get credit for a partially completed assignment. Defining equality helps many students to refine their positions. Some believe that although half of a pass isn't much, if anyone gets something then everyone should get something. For them equal distribution constitutes fairness. This usually enrages the pass holders because equality results in a loss for them. They believe that equal distribution would be totally unfair because students who showed no initiative would get a free ride.

Hingham High School students revisit lessons from the homework pass activity while discussing the goals of the Russian Revolution, fall 2010.

(Courtesy of the author)



As a homework assignment, students must write a one-page explanation and justification of how they believe the passes should be distributed. Their essays must address the issues of fairness and equality. I alert students in advance that the following day they might be asked to read their position papers prior to a binding vote on how the passes should be distributed. At the start of the following class, I solicit volunteers to share their arguments. The goal is to have several diverse positions read and analyzed by the class. I ask probing questions such as “What’s the basis of that argument? How does it define fairness? In what ways is it similar to or different from the previous argument?” I balance keeping the class focused on exploring the best way to distribute the passes while also providing analogies and outside examples to help students reflect on the consequences of their arguments. Usually in the process of the discussion, students realize that their arguments fall into three general categories.

The first category is distribution based on merit. In one version of this position, those who grabbed the passes in the first place earned them through their initiative. Another version of the merit position argues that the passes should be distributed based on scholarly merit; those who work hard in class should earn the passes. Students tend to recognize that the only

difference between these two merit-based positions is the criteria for rewarding passes. Students who support the merit arguments tend to focus on fairness and equal opportunity. They are satisfied if everyone has a chance to get a pass, even if only some actually earn them. They worry that if everyone gets an equal amount, incentive will be destroyed and mediocrity will reign. Essentially, they have refined the “survival of the fittest” argument. In the business world, these students would argue that Google has no obligation to help an ailing Yahoo. Likewise, these free market proponents argue that the student who scored an A is not responsible for the F earned by another student.

To help these students elaborate the consequences of their position, I propose giving all students the class average for their term grade. Students understand that in most classes there are a few As and Fs, more Bs and Ds and a bunch of Cs. The class average would be a C. When asked, some students would be happy with the class average, usually because the C would be higher than a grade that they might earn on their own. Other students would be enraged if they received the class average as their grade because they would get less than they earned on their own. I ask the students what would happen to the class average

under this system as we move from first to second term. Initially students assume that the class average would remain a C throughout the year. Then I ask them to imagine how students who independently earned grades above a C, but received a C first term, would behave second term. Most students hypothesize that the higher scoring students would work less second term because they hadn’t been rewarded for their effort and outcomes first term. They quickly realize that the class average would plummet because students would reduce their productivity in the absence of individualized incentives.

Despite the apparent power of incentives, the second major group of students believes that equality and the need for social safety nets should supersede competition and individual rewards. According to these students, merit isn’t fair because even with equal opportunities, students have different abilities and teachers shouldn’t punish those with less skill or initial drive by withholding homework passes from them. Karl Marx’s notion that resources should be distributed “from each according to his ability, to each according to his needs” can be used to help these students explore and elaborate their ideas. The students who support this position tend to believe that society needs to help all of its members, not just the elite. They are especially concerned about the welfare of the most vulnerable, and they argue that those with the most passes are the ones who need them least. To them, the students who lack the initiative and competitive edge to get the passes need the most help. Their system of equality calls for a major redistribution of wealth in which, for example a student who had initially grabbed three passes would face a Robin Hood styled tax of 2.5 passes. Those passes would then be granted to those who had no passes. Supporters of this approach tend to place a high value on social safety nets. They want the teacher (government) to intervene to protect the vulnerable.

The third category involves some form of a progressive tax, in which those with

passes get to keep some, but must share a portion of their passes with others who have none. Students in this group recognize that those with the most passes earned them, but they nonetheless have an obligation to the society as a whole. Initiative is rewarded, but a limited safety net is also provided.

During the discussion that precedes the voting, I deliberately avoid using economic terms such as capitalism, free market, command economy, communism, and the like. These words often cloud the issue because students may have only a partial understanding of them. I have found that providing terms and definitions prior to the vote limits students' understanding and willingness to explore the many possible ways to distribute the passes. When students must express ideas in their own terms, they tend to clarify and retain the concepts much better.

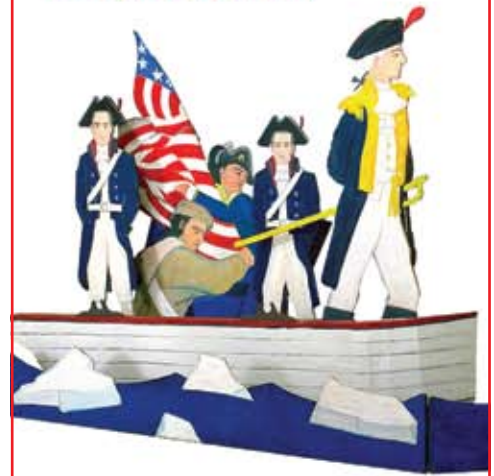
When the students, with a little help, have thoroughly developed the arguments of all the sides, the class is ready to vote. In essence, though the students may not yet realize it, they have outlined the basis of the capitalist, command, and the mixed economic systems. Of course, if students don't propose some of these arguments, I act as the devil's advocate and raise arguments and counter points to expand their ideas. However, once the students vote, the teacher must be willing to accept the integrity of the students' decision, whatever the outcome. Regardless of the results, the process of examining the sides helps to elucidate the benefits and drawbacks of the different methods of distribution. After the votes have been tallied, I help the students create a graphic organizer to formally define and evaluate the benefits and drawbacks of the "free market," "mixed economy," and "command economy." Although they need help with the formal definitions and historic examples of each system, they have little difficulty deriving the benefits and drawbacks of each system because

the analogy with the homework passes is fairly clear them.

Over the course of the year, as students use their passes, members of the class will recall their vote and reflect on whether or not they see the result as a wise or foolish decision. Through this process, students develop and examine their own social and economic values based on personal experience rather than abstract principles. On a broader scale, the homework passes should be linked to content discussions when pertinent historical topics arise. The students' experience with the passes can be evoked any time issues of fairness and equality emerge, or when economic crises and conflicts arise in the curriculum. For example, when studying the rise of industrial capitalism, students will quickly realize that those with initiative and innovative ideas were rewarded. As they study the twentieth century, students will understand why Marxist promises of wealth redistribution appealed to the downtrodden citizens of Czarist Russia, Southeast Asia, and Latin America. And later, when they come to the collapse of the Soviet system, they will already understand that command economies that significantly redistribute wealth also destroy individual incentive. Throughout the year, whether a class is examining the Great Depression, decolonization, potential solutions to the current U.S. financial crisis, or any number of other issues, recalling the homework passes creates an immediate depth of discussion because students have the prior experience of examining how different systems of distribution would personally affect them. 📄

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