

Birgit Weber

Editorial: Crises in Europe and Challenges for Economic Education

Keywords:

economic crisis, European crises, concepts, views and minds about European crises, economic education

Since 2009 the European Union is facing a severe economic crisis. Does the current crisis reflect the failure of the economic player or markets? Or does it even reflect the failure of an entire economic system inevitably culminating in speculative bubbles, increasing economic inequality, always accompanied by severe crises? Or is it more of a failure of the political institutions that relinquished its power by the liberalization of financial markets, cancelling the liability of financial institutions, becoming helpless repair institutions of financial capitalism? Or is the European crisis "only" an extension of the global financial crisis of 2008, which resulted in the rescue of individual states, brought them to stumble themselves? Or does it just bring the design flaws of the European Monetary System to light? There is no doubt about a tremendous complexity according to the current crises.

Also there is a lot of radical criticism not only as a topic to the left or alternative movements, but also to business leaders and economists themselves. "The capitalist system no longer fits into the world" resumed Klaus Schwab (2012), founder and Executive Chairman of the World Economic Forum 2012. Economists, business ethics and social scientists complain that the financial and euro crisis illustrate the failure of conventional economics with their unshakable faith in the self-healing forces of the markets (Colander et al. 2009, Me'M 2012). German and French economics students (e.g. Plural Network Economics) criticized in 2012, that the global financial crisis did not matter in their studies and claimed a more critical use of economic knowledge and also more plurality. George Akerlof and Robert Shiller (2009) criticized the failure of modern economics ignoring the animal spirits. In Interviews Dennis Snower (2012), President of the Kiel Institute for the World Economy, reflects, that the economy is standing at the begin of a revolution and Thomas Straubhaar (2012), Director of the Hamburg Institute of International Economics calls for an end to the imperialism of economists.

At such dynamically changing times, where economy is affected by multiple crises and in which also the discipline of economics critically reflects their limitations, it does not belong to the easiest tasks of economic education to provide with orientation, judgment, decision-making and action according to economic situations, problems and phenomena. On the one hand, the crises generates quite considerable interest by their ubiquity, particularly focusing on the other hand only on fragments and dominant controversies of the respective current situations. On the one hand, the understanding of relationships and developments is complex and on the other hand, considerable uncertainty and controversy of experts create the impression of arbitrariness. As the Crises reveal a lot of interdependencies, also rigorous analytical separations between economic and political dimensions are hardly possible. While a purely political view or a focus obscures the social consequences also for existing economic laws, a sole focus on the challenges of economic laws suppresses cultural differences, economic historical developments, lack of development of institutions as well as individual and social affection.

Three years ago the Journal of Social Science Education focus '*Civic and Economic Education and the Current Financial Crisis*' (see: Hedtke JSSE 1-2010, Hippe JSSE 2-2010). Most of the articles in 2010 reflect the financial crisis not only as an economic crisis, but look also at moral, social and political intertwining as well. This current issue of the Journal of Social Science Education was initiated mainly by the conference of the Association of Economics Education in Europe with the subject '*Economic Crisis - Catastrophe or Opportunity?*' in 2012 in Germany, when mostly experts of economic education focus on the on-going crises. At the conference 21 lectures and workshops dealt with economic crisis and financial education as well as with developing, measuring and diagnosing economic, business and entrepreneurial competences. Before we editors present an insight into some of the contributions of the conference, which was also offered to the journal, and passed the anonymous review process, respectively showed good practice in school, we would like to introduce into the controversial perspectives and solutions upon the economic situation in Europe. This overview should widen up the controversially debated spectrum of problems, causes and measures, but is not intended to deliver final judgements. After that we will give a small overview about surveys presenting the perspectives of the youth as well as an impression of different perspectives of European Students explored by an AEEE online survey in 2012.



Birgit Weber is Professor for social science with a focus on economic education at University of Cologne and editor of the JSSE. Her research interests are social science education with a special focus on economic education, curriculum development and research of economic and social science education. email: birgit.weber@uni-koeln.de

US-Subprime mortgages caused European crises?

For many observers, the European crisis had its origins in the United States. The attempt of the US Government to encourage private home ownership to socially disadvantaged people led to the granting of mortgage loans at low interest rates to borrowers with lower credit ratings (subprime loans). To relieve themselves from their "bad" debts, the financial institutions had constructed new financial products (mortgage-backed securities and collateralized mortgage obligations). These uncontrolled financial innovations are one of the central causes of the financial crisis from 2008. As the artificially inflated housing bubble burst and the home prices declined, borrowers were no longer able to pay off their debts; also for the lender it was tight. With the collapse of the investment bank Lehman Brothers in 2008, the confidence between the banks was increasingly shaken. They were subsequently less willing to lend and thus a recession resulted. To mitigate a run on banks as well as the impact on production, the States brought up considerable resources to rescue the banks and to stabilize economy. Thereby the already high debt increased. In autumn 2009, when Greece in view of oppressive debt asked for financial assistance, the crisis hit Europe seriously. But not only Greece, other European countries were also not able to pay their rising government debts. As the ratings became worse, their solvency deteriorated further. At the same time, also U.S.A and Japan had to contend with significant debt. The difficult economic situation in Europe was accompanied by considerable political tension: stepping down of government in almost half of the countries, early elections, changes of government and significant social protests.

Both causes and measures are the subject of national and international debate. Meanwhile, the European crisis is characterized as the three vicious spirals (Eichengreen 2012), multi-crisis (SVR 2012) or "The euro's Three Crises" (Shambough 2012):

„The euro area faces three interlocking crises that together challenge the viability of the currency union. There is a banking crisis – where banks are undercapitalized and have faced liquidity problems. There is a sovereign debt crisis – where a number of countries have faced rising bond yields and challenges funding themselves. Lastly, there is a growth crisis – with both a low overall level of growth in the euro area and an unequal distribution across countries. Crucially, these crises connect to one another. Bailouts of banks have contributed to the sovereign debt problems, but banks are also at risk due to their holdings of sovereign bonds that may face default. Weak growth contributes to the potential insolvency of the sovereigns, but also, the austerity inspired by the debt crisis is constraining growth. Finally, a weakened banking sector holds back growth while a weak economy undermines the banks.” (Shambough 2012).

The discussion about causes and measures are highly controversial, the following overview is intended to facilitate the orientation.

Sovereign debt crisis

If the crisis is characterized as a sovereign debt crisis, spendthrift states are not able to pay their debts. Accordingly, expenses need to be decreased and growth to be increased to enhance revenues to pay the debt service. Changes in the European Stability and Growth Pact and the debt brake in the EU fiscal pact with strict caps were influenced by these goals. But the strict budgetary discipline with privatization and austerity could counteract growth by leading to recession and political tension. The doubts about austerity received new impetus, as errors in the study by Reinhart and Rogoff (2010) were discovered, so that politicians could not rely any more to a scientifically proved exact limit for negative growth effects by a special rate of debt. Furthermore Neo-Keynesians (e.g. Blanchard / Leigh 2013) offer results showing the underestimation of negative growth effects by government cutbacks. In order to increase tax revenue, also tax evasions must be combated, which needs confidence of tax payers in the performance of their political institutions. Current public debt could also be reduced by a haircut of debt, which could take frivolous creditors in liability and would work as an incentive against frivolous lending. Hans-Werner Sinn (2010, 2013) warns before moral hazard, calling for an appropriate liability for borrowers and lenders. He is concerned that those reckless borrowers may proceed as before. Against this, for the German economist Peter Bofinger (2012) such debt cuts raise rates by decreasing confidence. The moral hazard concern is also associated with measures to reduce debt by jointly guaranteed euro bonds. To avoid acute threat of insolvency or liquidity problems, emergency loans and guarantees like a euro bailout or a European Stability Mechanism, were designed with conditions to reduce debt causes. There is still doubt, if these measures oppose against the bailout-clause, which prohibits mutual liability. The situation is similar to the highly controversial loans and the purchase of government bonds by the ECB, respectively the loans from the strong to the weak countries' National banks. Against the moral hazard argument the Belgian Economist and LSE Professor in European Political Economy Paul de Grauwe (2011) retorts, that the ECB has no alternative being the lender of last resort, because the "self-fulfilling nature of expectations creates a coordination failure" (p. 3) and has to "impose limits on risk taking by banks" (p. 9). Looking at the crisis only as a sovereign debt crisis leads to radical measures to cut the debt service, but will create problematic side-effects. Also the problem is focused only on the states living above their means, but did not look at the initiating causes of the debt or coordination failures.

Bank crisis

If the crisis is seen as a bank respectively financial crisis, the sovereign debt is not the final

cause, it is born by the rescue of banks by the states. The criticism directs to the non-performing loans at risk of default and the insufficient capital base of the banks, so that there are considerable risks of infection to any shocks. Also, closely locked to the banks, the financial markets are criticized for being too optimistic at the beginning of the Eurozone and later too pessimistic, so the financial market system should also bear the blame for the crisis by following animal spirits (Akerlof/Shiller 2009). According to such an explanation the problem is not to save countries, who act uneconomically, but to protect them against the panic attacks of the markets. This argument forces directly to a common liability currency area. Appropriate measures are aimed at a European financial supervision, with sufficient information, intervention, restructuring rights and instruments, that sets boundaries to systemically important banks ("too big to fail") and prevent socializing risks and spreading macroeconomic problems by coordinated collective acts, according to the German Council of Economic Experts (SVR 2012: 6). While politicians want to avoid runs on banks with a European deposit guarantee, economists consider this to be an insurance policy after the damaging event creating a significant disincentive for moral hazard by a transfer mechanism, instead, a European coordinated solutions for restructuring national banks should be installed (SVR 2012: 27f). The argument of a bank crisis is strongly intertwined with the development of the Euro and the currency union.

Euro crisis

If the crisis is interpreted as a euro crisis, the cause is seen on the one side in the ability of the deficit countries to borrow more than their national situation would allow without the Euro, on the other hand their current competitiveness do not match with the external value of the Euro, but being a member of the currency union they have no chance to protect themselves through the exchange rate mechanism. If there are countries that do not fit in the Currency Union the way out is to be seen in a Euro-Exit or in a split up currency Union. This could limit the liability of the European Union and reduce future inflation risk. Such a position seems to be independent of the political spectrum, but it depends on different prognoses: While some do not want to joint liability (Sinn/Sell 2012, Sinn 2013), others fear a threat to democracy facing the consequences of the high adjustment costs in the countries concerned (Flassbeck 2013, Streeck 2013) and finally, if the agenda of problems seem to be tremendous, there are also warnings like Nouriel Roubini (2012): "So, if a breaking is unavoidable, delaying it implies much higher costs". If a euro collapse or exclusion of states would happen, the affected states would be confronted with capital flight and a run on banks. This would also bring painful consequences, economic slumps and deflation with it. Also domino effects are foreseen as well as global recession. Splitting up or exclusions would also work like a haircut of debt, where economically stronger

losses of claims and growth (SVR 2012: 8f). Instead splitting the European Union or give chance to exit, especially advocates of European integration call for completion from the currency union to the political union. But at least a minimum of institutions to overcome the crisis and as a solid base for the future the Euro seem to be needed, according to the experts of the INET Council on the Euro Crisis (INET 2012).

System crisis

Finally, the crisis is also interpreted as a crisis of the system (eg EuroMemo 2012, Streeck 2013, Flassbeck 2013). This perspective results from macroeconomic imbalances between northern and southern countries on the one side and substantial wealth inequality on the other side. Some criticism, e.g. Johnson 2009, even goes so far as accusing politicians and the financial oligarchy of a "silent coup". Accordingly, the measures focus on redistribution of ownership to the labour income, thus an increase in aggregate demand is hoped that affect real economic investment, which removes excess liquidity in financial markets. From such a perspective, austerity with wages and welfare cuts, reduction of workers' rights and the privatization of debt settlement are counterproductive and serve to increase the investment income. The EuroMemorandum Group (2012) calls for solidarity instead of austerity as well as for a democratic, social and ecological Europe, not least through redistribution of wealth. The surplus countries should reduce their trade surpluses through wage increases and the increase of aggregate demand, so that the imbalances in Europe are reduced. Especially households with high wealth and income should be used for property taxes and forced loans, while stricter rules for financial markets improve their socially useful function. However, associated with such redistribution measures, the concern is to set disincentives for performance, and to end up casual tax evasion.

Complexity of the crises

Shambough (2012: 34) resumes: "*Thus, many of the main policies pursued thus far aid with symptoms of one crisis, but often only temporarily or at the expense of another crisis. Austerity can cut deficits, but at the expense of growth. Locally funded bank bailouts can aid bank solvency, but at the expense of sovereign solvency. Increased bank capital requirements can calm bank solvency fears, but at the expense of lending and growth. EFSF bailouts have staved off disorderly defaults, but have done little to solve the fundamental issues. Finally, the LTRO can aid bank liquidity problems, but if used to buy sovereign debt (and help sovereign liquidity) the cost is further strengthening the bank sovereign connection. Structural growth policies are likely part of a medium run solution, but it seems overly optimistic to expect them to provide near term help.*" As the crises are mutually dependent, Eichengreen

(2012) speaks about the three "vicious spirals", he sees between public debt and the banks, fiscal consolidation and growth, unemployment and political reactions. Also the German Council of economic experts argues that mutually reinforcing multiple crises caused a severe systemic crisis of confidence (SVR 2012, 11). While some want to restore the confidence of the markets through consistent savings and the avoidance of moral hazard through debt extension, others criticize, that this policy of austerity raises social imbalance, conjures up political crises and lastly seems to be a threat for democracy. This debate, creating different solutions also between Anglo-America and Europe also depends on completely different economic structures and cultures (eg. Uwe Jean Heuser 2012). So in the Anglo-American countries the financial sector plays a greater role, whereas in Germany medium-sized business structure dominates. In the Anglo-American regions also the rather young population seems to be more risky, whereas Germany faces a more risk-prone, aging population.

Currently, the European south faces growing poverty and rising unemployment, as dramatic consequences of the crisis accompanied by growing protests especially from a youth without a future. During the end of 2012 almost one in four young people was unemployed in Europe, in Spain and Greece it was even more than a half (Hutengs / Stadtmann 2012, 2013). Thus, Wolfgang Franz (2012), chairman of the German Council of Economic Experts (SVR) with a focus on the labour market sees in this youth unemployment the most serious problem, because the 'youth unemployment would be no wound healing quickly, it remains as an ugly scar for the entire life with lower chances for jobs and incomes'. According to statistical studies, the need to differ between 15-19 and 20-24 year old youth as well as a comparison between the unemployment of the 20-24 year old with overall unemployment and percentage of total unemployment, to Mikkel Barslund and Daniel Gros (2013) the problem is overestimated. Instead of enhancing additional funding to subsidize no sustainable work the EU should encourage labour mobility. The existence of youth unemployment is disputed as well as the measures. What can the EU, what can the countries themselves do? Should the labour market be more flexible to release entrepreneurial forces and restrictions on employment? Should mobility be promoted, even if it exacerbates European imbalances? Should the austerity policy in favour of growth, operate more hesitantly?

Presence of the crisis in the European minds

To economic education especially the perspectives of the Youth are of a special interest. It is not astonishing that they present different answers - due to the focus of different causes and instruments in the interviews.

· Thus, the *German Association for Consumer Research* (GfK 2012) interviewed 758 Germans aged 14-24 with a representative opinion survey

commissioned by the Banking Association. Here, the multi-dimensionality of the crisis is unnoticed asking directly about the "sovereign debt and euro crisis" ... "triggered by the high debt of some European countries" Given the 94% of young people are affirmative showing their strong presence, with approximately half of indicating to talk about it often, but only 15% seem to be concerned by themselves. Although a large proportion of young people are likely to have experienced the old currency barely conscious, more than half can imagine a future without the euro, while only about two-fifths vote for the rescue of states that are in distress due to high debt.

· In June 2012 *Infratest dimap* asked 1000 Germans older than 17 years about the Crisis. 50% feel the Euro being disadvantageous. 85% expect, that the worst of the crisis is yet to come, while 71% want to be asked before competences are transferred to the European level, 55% support national budgetary policies and only 39% agree for a shift, 45% do not want common liability for the debt, 44% decide for clear rules on joint liability and for only 10 % a common liability belongs to a common currency.

· In July 2012, *TNS Emnid* 1503 surveyed over 1503 Austrians and Germans older than 13 year old about the crisis. They discovered that 81 % of the participants support a new economic order, that forces protection of environment, careful dealing with resources and social balance. Less than a third of Germans and less than a quarter of Austrians believed in the self-healing powers of markets. In terms of strategies for overcoming the crisis, the respondents split into two camps: those who favour more growth and those who saw clear austerity as a solution.

· In face-to-face-interviews with 26.593 Europeans aged 15 and over *TNS opinion* (2012) made a Eurobarometer survey about the crisis and the economic governance in Europe on behalf of the European Parliament. Whereas 25% agreed to stimulate the economy, 23 % supported decreasing public spending. There seem to be a clear favour of collective coordinated action by 55 %, while 38% are in favour of individual measures. 80 % regard help by conditions and 72 % call for penalties against breaking rules.

Looking to the very different results of the polls on behalf of different actors it seems to be obvious, that the different explanations, the participants were asked about the causes, produce contrary opinions especially between national sovereignty and EU coordination, but it does not show the different views of the young people in the different European states.

Exploring the views of European students on the economic crisis

As a European project the Association of Economics Education in Europe also wanted to

discover the views of European students about the economic crisis. Far from being a representative study 680 students participated in this survey, coming from Italy (30%), Austria (23%), Germany (20%) and Ireland (12%), France and United Kingdom (both 6%), 43% are Male and 57% Female, 75% are born between 1993 and 1995. 60% attended economics courses – most of them being Italians – 34% attended social science including economics, with the majority coming from Germany. The preliminary findings give an impressive insight to the different types of crisis according to blamed causes as well as claimed measures to solve the crisis.

· Who or what is responsible for the crisis? The interviewees were asked: *“To what extent did you agree that the following have contributed to causing the current economic crisis?”* (Question 12) and, *“Do you believe that the causes of the crisis originate mainly in your country, in other countries, in the rest of Europe, in the rest of the world outside Europe?”* (Question 13-16): Most of the participants – independent of country, sex and course – blamed the banks for high risk lending and borrowing. Looking at the differences within the countries, most of the participating Italians (mostly students in economic courses) blamed the action of their own government, but also the tax evasion and the growing gap between rich and poor. Even more, the participating Germans (mostly students in social science courses) blamed the economic gap between EU-countries. Most of the Austrian, German and male youths found the origins of the crises in other countries, where the level of those who also blamed their own country reached the highest score in Italy.

· What are possible solutions for the crisis? The participants were asked: *“In order to solve the crisis in your country/the European Union it is necessary to ...”* (Question 17, 18): Nearly two thirds of the participating students called for economic growth, more than half of them asked regulations of financial markets and demanded European inspectors for that context. There are great differences between European countries and subjects belonging to the European Integration: Whereas Italians and students in economic courses prefer EU-Inspectors, the participating Germans and students enrolled to social science go for a common European Ministry of Economic Affairs. According to their national concerns, there were more Italians asking for help to enable weak countries paying off their debts respectively transferring funds. Only a quarter of the participants agreed to exclude weak countries from the Eurozone or to reduce social welfare in weak countries.

· What do the European students associate with the crisis? They were asked: *“Write some words and phrases that they associate with «the Economic Crisis» that has been domination the news.”* (Question 10). The directly affected students in Italy and Ireland are concerned about broadening of the hassle, unemployment, low investment rates, recession, depression, inflation, poverty and suicide. To the Germans the

loss of the value of their currency, raising debts, instability, Eurozone-exit, dissatisfaction, but also some commitment with the countries in the south have been the most mentioned associations.

Crises - a golden opportunity for economic education?

It seems a bit sarcastic, to call the crises a golden opportunity for economic education. Many articles in this issue talk about the crisis as an “ideal” (MITTELSTAEDT, etc.) or “golden” (LÖFSTRÖM / VAN DEN BERG) teaching moment, which promotes even without formal instruction the understanding of complex economic concepts (PLIAKIS et al). Some authors require different social science concepts to explain and deal with the crisis (MITTELSTÄDT et al), but also the ability to promote the understanding of the political and economic contexts (LÖFSTRÖM / VAN DEN BERG) in order to control the political and economic authorities as well (PLIAKIS et al). As the development of such an understanding should be considered, PLIAKIS et al test Greek students with the test of economic literature (TEL), JEZIORKI et al illustrate the understanding of uncertainty and risk in time of crisis of Italian and French adolescents and SPEER/SEEBER examine the existing understanding of young Germans about credits and loans. Looking at the understanding of teachers and students the studies from Finland of LÖFSTRÖM / VAN DEN BERG clarified the understanding of economic and political contexts within the crises, while ASANO ET AL express their concern about the quality of economic competences by Japanese teachers of civics tested with the TEL. The last two contributions do not deal with the crises. VARUM et al gives a review of the focus of research in economic education in recent decades. As an example of good practice (without peer review) WEYLAND/REHM show with a case study, that economic education could be implemented as well in a subject of social science. The following should give a little insight in the contributions.

To EWALD MITTELSTÄDT, CLAUDIA WIEPCKE and ROMAN LUTZ the Financial Crisis seems to be an ‘ideal teaching moment’, as their contribution promise to foster socio-economic learning. The authors give an overview about the causes of the financial crisis and discuss solutions without neglecting social and ecological constraints. Regarding the traditional economic, political and sociologic concepts of human activity the authors criticize their shortcomings and propose a ‘deuteron’ learning model for learning in and from the crises. Based on the categorical approach of economic education it should be combined with ethics, history, civics and also natural science.

The crisis does not only seem to be an ideal teaching moment at school, as IRAKLIS PLIAKIS, DESPOINA BOUSIOU-MAKRIDOU and STAVROS TSOPOGLOU discover in an exploratory research in Greece. The everyday presence of the economic crisis increased the students’ performance of some complex concepts of economics in the TEL, which

seem to be considerably high compared with results in the US, although the mean score is lower. Most astonishing is the increase in complex concepts, which were not thoroughly taught, like budget deficit, unemployment or per capita income. Asked about the sources of their economic information the students mentioned besides the first year at senior high school their family, internet, television and friends as important source of data. The authors conclude, that it should be necessary, to identify closer those experiential-empirical knowledge, to meet the willingness of participating and get a deeper understanding of the social phenomena – referring to the basic aim of school: creating democratic citizens, who are able to control the political and economic authorities.

A special attendance to the relationship between school knowledge and social knowledge was focused by AGNIESZKA JEZIORKI, ALAIN LEGARDEZ and DORIS VALENTE. Since 2000 they analysed the representations of Italian and French students about Uncertainty and Risk. Nowadays looking at those representations in the times of crisis they want to identify constants and changes by speculating on causes and effects. They base their research on the one side on the structural approach of social representation in order to find the elements of the core concepts of uncertainty and on the other side upon socially acute questions in order to transform it in social knowledge and civic behaviour. They show that 2009 the students primarily evoke crisis, unemployment, inflation and the stock market as well in Italy as in France, whereas risk is connected to investment, business and financial markets. Due to their study the participants regard the big actors bearing risk and the small ones, but also the governments having to deal with uncertainty. With regard to the concept of uncertainty, they note a significantly higher presence of the socio-political context of the time and between countries in the results of 2009. The authors hypothesize that the concerns of the young Italians are likely to be radicalized by a deepening of the crisis. Discussing the existence of social representation, effects or orthodox contexts, the existence of concurrent knowledge, they finally draw conclusions to develop teaching strategies to identify obstacles and support.

Not facing national debt but taking a loan is the subject of SANDRA SPEER and GÜNTHER SEEBER, who want to give a systematic picture of students' reasoning about private credit with a phenomenographic access in order to understand the financial understanding of secondary school students and teacher trainees. Before designing their own study they give us an insight into the findings of financial literacy research, looking at financial knowledge and counting with interest and inflation rates as well as behavioural Economics and Economic Psychology, discovering the factors influencing the bounded rationality. In 13 focus groups with 89 persons discussing carefully structured different cases of loan taking, which could be used as case studies, the authors show moral attitudes, needs, credit

terms and calculation as part of the hierarchy of judgments on the one side, liquidity more than risk, budget more than needs, while misunderstandings develop by mixing up terms, neglecting incomes, costs or saving. Besides given a basis for application of variation theory the authors recommend their case studies and results for teaching economic education to become aware of the level of reasoning and attitudes influencing behaviour and the own moral pre-concepts, exaggerating the picture of total credit costs.

Like other authors in this issue JAN LÖFSTRÖM and MARKO VAN DEN BERG regard the economic crisis as "A golden opportunity for economic education", regarding the growing interest of the youth in discussing economics. On the one side they present a close insight into the Finnish subject of social studies. This subject discusses the political system and economy in two courses, currently mostly taught by teachers of history. On the other side they design a thick picture about the treatment of the financial crisis in economic education as a part of social studies by a detailed analysis of textbooks and examination results. Whereas a wide national core curriculum gives a lot of flexibility, their analysis led them to discover a prudent and neutral view on the financial crisis in textbooks, whereas in economic education the dominance of a neoclassical approach exists, while the authors miss the intertwining between politics and the economy. Analysing the results of students' examination they regard lacks using appropriate economic terminology with conceptual errors, while the students dominantly try to describe narratives of economic events, pushed by structural forces. The authors found lacks regarding the inner logic on the one side and conceiving economy as a field with human actors on the other side. Far from blaming the Finnish students, who reached high scores in international comparison tests, the analysis contains the different conditions leading to these results and finishes with the appeal, to reflect much more economy as a part of society, which affords the combining from historical, sociological and political analysis with economic education as well.

Close to the missing economic background of Finnish teachers TADAYOSHI ASANO, MICHIO YAMAOKA and SHINTARO ABE are concerned about the quality of economic competences of the teachers of civics in Japan, who have to teach economic literacy, but seldom studied economics themselves. So they investigate the attitudes and thoughts about economics and economy of the teachers. In their article they show clearly the characteristics of economics teachers in Japanese high schools by their profile, their present, past and school characteristics, their learning experience about economic issues, in order to clarify one important factor why many high school students lack for economic literacy in Japan. So they are able to "form a true image of those teachers", showing that a few of them never studied economics and many of them display difficulties teaching economics. As attitudes the authors discover an egalitarian view, criticism

against moneymaking, mistrust against market mechanism and a high acceptance of government's intervention to correct results of market transaction. Whereas also the students dislike Civics most of all subject areas, the authors conclude an extreme scope for improvements in textbooks as well as in teacher competences.

The adventure to throw light upon the growing outcome of economic education research had been undertaken by CELESTE VARUM, ABIGAIL FERREIRA and ANA BREDA. The authors review the directions that research about economics education have followed in the last decades, in order to systematize and organize the literature. The results should bring the value to a wider public and indicate the fields for future research. Analysing the Science Citation Index and the Social Sciences Citation Index as well as four specialised journals (including this one) they found contributions to different topics economics education research are addressed to: issues and questions, techniques useful for research, ideological message, level of economic literacy, contents and structure of economics education in different countries, methods and materials, outcomes from instruction, efficiency of courses, students attitudes and values, students understanding, teacher effects, learning outcomes and performance depending on personal and sociocultural characteristics. Besides the value of showing the "fathers and mothers" of that typical kind of research in the field of economics education and the growth of results, the authors point out the windows of opportunities for future research. In their opinion the adequate time of beginning economic education, teaching methods and the use of economics education to individuals' attitudes and competitiveness are those issues.

In their case study MICHAEL WEYLAND and MARCO REHM attract attention to the controversy, whether economic education should be anchored on own or as an integrated subject like social science. Given an example of a German grammar school, where economic education seldom is placed as a lone subject, the authors show by presentation of examples how economic education can be placed in a social science subject with success, like some prices in competition show. Even if the examples seem to be well known for typical economic education the authors demonstrate that a social science subject must not occur problems, but could allow additional benefit: Problem and action oriented, research based learning could foster multi-dimensional economic learning without neglecting economic theory.

I would like to thank

- the authors for interesting contributions and patience,
- the reviewers for critical and helpful comments,
- Simon Niklas Hellmich, the JSSE's editorial assistant, for help, patience and competence,
- Stefan Karduck and Mark William Downes for critical and helpful remarks to the editorial,
- Hans Jürgen Schlösser as my co-editor and

chairman of AEEE for thorough reading and checking the papers a several times and a lot of valuable remarks and last but not least,

- the Association of Economics Education in Europe (AEEE) for financial support to this edition.

References

- Akerlof, George A.; Shiller, Robert J. 2009. *Animal Spirits. How Human Psychology Drives the Economy, and Why It Matters for Global Capitalism*. Princeton University Press.
- Barslund, Mikkel; Gros, Daniel. 2013. Unemployment is the source, not youth unemployment per se. The misguided policy preoccupation with youth. Ceps policy brief. No. 294, 26 June 2013.
<http://www.ceps.be/ceps/dld/8187/pdf>
- Blanchard, Olivier; Leigh, Daniel. 2013. *Growth Forecast Errors and Fiscal Multipliers*. IMF Working Paper. January 2012.
<http://www.imf.org/external/pubs/ft/wp/2013/wp1301.pdf>
- Colander, David et al. 2009. *The financial Crisis and the Systemic Failure of Academic Economics*.
http://keeneconomics.s3.amazonaws.com/debtdeflation_media/papers/Dahlem_Report_EconCrisis021809.pdf
- Eichengreen, Barry. 2012. "Europe's Vicious Spirals," Project Syndicate, January 11, 2012.
<http://www.project-syndicate.org/commentary/europe-s-vicious-spirals>
- GfK Marktforschung, Jugendstudie 2012. *Wirtschaftsverständnis und Finanzkultur*. Im Auftrag des Bankenverbandes im Juli 2012. [Youth Study, 2012. Understanding of economic and financial culture. On behalf of the Bankers Association].
<https://bankenverband.de/downloads/meinungsumfrage/jugendstudie-2012-wirtschaftsverstaendnis-und-finanzkultur>
- Grauwe, Paul de. 2011. *The European Central Bank: Lender of Last Resort in the Government Bond Markets*. Cesifo Working Paper No. 3569. September 2011.
<http://www.cesifo-group.de/portal/pls/portal/docs/1/1211348.PDF>
- Grauwe, Paul de. 2012. *The ECB can save the euro – but it has to change its business model*, INET Blog, 30. Juli 2012.
<http://ineteconomics.org/blog/inet/paul-de-grauwe-ecb-can-save-euro-it-has-change-its-business-model>
- Hedtke, Reinhold (ed.). 2010. *Civic and Economic Education and the Current Financial Crisis I*, In: *Journal of Social Science Education*, Volume 9, Number 1.
<http://www.jsse.org/index.php/jsse/issue/view/121>

- Hippe, Thorsten (ed.). 2010. Civic and Economic Education and the Current Financial Crisis II, In: Journal of Social Science Education, Volume 9, Number 2.
<http://www.jsse.org/index.php/jsse/issue/view/122>
- Hutengs, Oliver/Stadtmann, Georg. 2013. Don't trust anybody over 30: Youth unemployment and Okun's law in CEE countries. European University Viadrina Frankfurt (Oder), Department of Business Administration and Economics, Discussion Paper No. 333, March 2013.
<http://econstor.eu/bitstream/10419/71110/1/738597740.pdf>
- INET COUNCIL ON THE EURO CRISIS. 2012. Breaking the Deadlock: A Path out of the Crisis. July 23. 2012.
http://ineteconomics.org/sites/inet.civicaactions.net/files/CEC_Statement_23-7-12.pdf
- Infratest dimap 2012. ARD DeutschlandTrend. Eine Umfrage zur politischen Stimmung im Auftrag der ARD-Tagesthemen und zwei Tageszeitungen. [A survey of the political mood on behalf of ARD issues of the day and two daily newspapers] Juli 2012, Berlin.
http://www.infratest-dimap.de/uploads/media/dt1207_bericht_02.pdf
- Johnson, Simon. 2009. The quiet Coup. The Atlantic, 05-01-2009.
http://www.theatlantic.com/magazine/archive/2009/05/the-quiet-coup/307364/?single_page=true
- [Me'M-Memorandum 2012]: Thielemann, Ulrich u.a. 2012. Für eine Erneuerung der Ökonomie. Memorandum besorgter Wissenschaftlerinnen und Wissenschaftler. [For a renewal of the economy. Memorandum of concerned scientists.] Eine Initiative von Ulrich Thielemann, Tanja von Egan-Krieger und Sebastian Thieme.
<http://www.mem-wirtschaftsethik.de/memorandum-2012/>
- Reinhart, Carmen M. / Rogoff, Kenneth S. 2010. Growth in a time of Debt. Working Paper 15639.
<http://www.nber.org/papers/w15639.pdf>
- Roubini, Nouriel. 2012. Early Retirement for the Eurozone. Project Syndicate, 8-15-2012.
<http://www.project-syndicate.org/commentary/early-retirement-for-the-eurozone-by-nouriel-roubini>
- [SVR 2012]: Sachverständigenrat zur Begutachtung der gesamtwirtschaftlichen Entwicklung 2012: Nach dem EU-Gipfel. Zeit für langfristige Lösungen nutzen. Sondergutachten. [German Council of Economic Experts 2012: After the EU summit. Use time for long-term solutions. Special Report]. Wiesbaden 5. Juli 2012.
<http://www.sachverstaendigenrat-wirtschaft.de/fileadmin/dateiablage/download/publikationen/sg2012.pdf>
- Shambough, Jay C. 2012. The Euro's Three Crises. Brookings Papers on Economic Activity Spring. 03-12-2012, McDonough School of Business, Georgetown University and NBER.
http://www.brookings.edu/~media/files/programs/es/bpea/2012_spring_bpea_papers/2012_spring_bpea_shambough.pdf
- Sinn, Hans-Werner. 2013. Austerity, Growth and Inflation. Remarks on the Eurozone's Unresolved Competitiveness Problem. Cesifo Working Paper No. 4086, January 2013
http://www.cesifo-group.de/DocDL/cesifo1_wp4086.pdf
- Sinn, Hans-Werner. 2010. Rescuing Europe. Cesifo Forum, August 2010, Volume 11
http://www.cesifo-group.de/DocDL/Forum-Sonderheft-Aug-2010_0.pdf
- TNS Emnid. 2012. Kein Wachstum um jeden Preis. Im Auftrag der Bertelsmann-Stiftung. Kurzbericht [No growth at all costs. On behalf of the Bertelsmann Foundation. Brief Report] Juli 2012.
http://www.bertelsmann-stiftung.de/cps/rde/xbcr/SID-18EA512D-1440D170/bst/xcms_bst_dms_36359_36360_2.pdf
- TNS Opinion. 2012. Eurobarometer 2012: Crisis and Economic Governance V. Brussels, (TNS Opinion on Behalf of the European Parliament), 21 May 2012
http://www.europarl.europa.eu/pdf/eurobarometre/2012/crise_V/eb_77_2_crisis_and_economic_governance_V_en.pdf
- Interviews, Reports, Portals
- Bofinger, Peter. 2012. „Selbst wenn Staaten eisern sparen, droht die Pleite.“ [Even if states save adamantly, threatens bankruptcy] Interview in: Spiegel-Online, 14.07.2012.
<http://www.spiegel.de/wirtschaft/soziales/wirtschaftsweiser-peter-bofinger-a-844231.html>
- EuroMemoGroup:
<http://www.euromemo.eu/>
- Flassbeck, Heiner. 2013. „Man braucht Alternativen zum Euro.“ [We need alternatives to the euro.] Interview in: FR-Online vom 11.05.2013
<http://www.fr-online.de/schuldenkrise/eurokrise--man-braucht-alternativen-zum-euro-,1471908,22727018.html>
- Franz, Wolfgang. 2012. Wolfgang Franz warnt vor Einmischung der EZB. [Wolfgang Franz warns of interference by the ECB] In: Handelsblatt (Online), 17.12.2012
<http://www.handelsblatt.com/politik/konjunktur/nachrichten/wirtschaftsweiser-wolfgang-franz-warnt-vor-einmischung-der-ezb/7533736.html>
- Heuser, Uwe Jean. 2012. Der Glaubenskrieg. [The religious war]. In: DIE ZEIT vom 5.1.2012
<http://www.zeit.de/2012/02/Europa-Amerika>
 Netzwerk Plurale Ökonomik e.V. : <http://www.plurale-oekonomik.de/>

Schwab, Klaus. 2012. „Das kapitalistische System passt nicht mehr in die Welt“ [The capitalist system no longer fits into the world]. Interview in Financial Times Deutschland, 25.01.2012.

<http://www.ftd.de/politik/international/:interview-mit-davos-chef-schwab-das-kapitalistische-system-passt-nicht-mehr-in-die-welt/60159130.html>

Sinn, Hans-Werner; Sell, Friedrich 2012. Our opt-in opt-out solution for the Euro. In: Financial Times, 1.8.2012.

http://www.cesifo-group.de/ifoHome/policy/Staff-Comments-in-the-Media/Press-articles-by-staff/Archive/Eigene-Artikel-2012/medienecho_ifostimme-ftimes-01-08-2013.html.html

Snower, Dennis. 2012. „Wir stehen am Anfang einer Revolution.“ [We are at the beginning of a revolution.] Interview in Financial Times Deutschland, 16.01.2012.

<http://www.ftd.de/politik/konjunktur/:oekonomie-in-der-kritik-wir-stehen-am-anfang-einer-revolution/60155490.html>

Straubhaar, Thomas. 2012. „Schluss mit dem Imperialismus der Ökonomen.“ [Stop the imperialism of economist]. Interview in Financial Times Deutschland, 05.03.2012.

<http://www.ftd.de/politik/konjunktur/:ftd-interview-mit-thomas-straubhaar-schluss-mit-dem-imperialismus-der-oekonomen/70003717.html?>

Streeck, Wolfgang. 2013. „Wir haben eine Diktatur der Finanzmärkte.“ [We have a dictatorship of the financial markets]. Interview in Tagesanzeiger, 12.03.2013.

<http://www.tagesanzeiger.ch/kultur/diverses/Wir-haben-eine-Diktatur-der-Finanzmaerkte-/story/20989843>