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TEACHING ECONOMIC SCARCITY, CHOICE, OPPORTUNITY COST AND RATIONALITY, USING PRESIDENT ROBERT MUGABE'S 1997 DECISION TO PAY WAR VETERANS \$50 000.

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Abstract

Economic history is an important branch of economics, that can provide significant insights into historical economic phenomena. In this paper, I propose the 1997 compensation of war veterans by the Zimbabwean government (under President Robert Mugabe), as an example that can be used to teach economics concepts to undergraduate economics students. As the war veterans had threatened to remove the President from his office through violence, I show the trade-offs that Mugabe had to make, and the constraints he faced when agreeing to pay the funds to the veterans. I present a lesson plan that economics facilitators and lecturers can use with their learners. My example is unique in that it teaches students about making choices under compulsion, while most economics textbooks use examples that show voluntary choices.

Keywords: production possibilities curve; war veterans; scarcity; choice

Introduction

Economics is a social science that is a foundational subject in every Bachelor of Commerce degree offered in South Africa, and in many similar programs in neighboring countries. However, many students struggle to comprehend basic economics (Asarta, 2024). For instance, Marire (2018) argues that graph dominance in economics pedagogy contributes to poor student performance, calling for alternative methods to be incorporated into course development. Also, Swanepoel, Beukes & Yu, (2021) find that having done economics in high school leads to a higher probability of students passing first year university economics; but many South Africa, many first-year university students never studied economics at high school. These challenges require academics to find innovative, practical, and relevant methods to teach economics to increase student comprehension, pass rates and retention (Asarta, 2024).

The basic economics concepts of scarcity, choice, opportunity cost and rationality are some of the most important concepts in economics and are found in nearly every introductory textbook. They are usually presented in a section that introduces the Production Possibilities Curve (PPC) in the standardized form of a convex curve from the origin. However, most explanations and illustrations of the curve itself in texts are rudimentary (e.g., guns and cigarette or food and clothing). In addition, Garrison (1995) criticized the dominant use of the PPC in early economics course explanations of scarcity, arguing that the tool can be used to link more advanced concepts that appear in textbooks.

In this paper, I propose a unique example to teach scarcity, choice, and opportunity cost. I use the late Zimbabwe President Robert Mugabe decision to pay each of Zimbabwe's war veterans (men and women who fought against the Smith government in the Zimbabwe War of Liberation or the Second "Chimurenga") ZW\$50 000 and monthly pensions of Z\$2000 in 1996, at the threat of being removed from power (Maringira, Gukurume, & Chitukutuku, 2023). That decision sent a seismic shock through Zimbabwe's economy, as the local currency crashed, falling by over 70% in value to the US dollar and the financial market losing almost half of its value in November 1997, on a day known in Zimbabwean lore as "Black Friday" (Adekoye, & Kondlo, 2020; Hall, 2021; Kronick, & Rodríguez, 2023).

The war veteran's total compensation package summed to around Z\$4.5 billion, was approved without by Mugabe consulting his cabinet (Moore, 2003; Nyathi, 2004). The decision to pay the veterans was borne from threats of violence that the group had made to remove Mugabe from power, land invasions of commercial farmland, various protests at Mugabe rallies and at the State House (Moore, 2003; Rwodzi, 2021). The Zimbabwe government had created the discontent due to failed demobilization, reintegration, and economic empowerment efforts as many did not have an identity beyond being known as war veterans (Nyathi, 2004; Chiweshe, Sifile, & Mutopo, 2023).

The economic rationality principle is "based on the postulate that people optimal choices and consider options and decisions within logical structures of thought, as opposed to involving emotional, moral, or psychological elements (DiRita, 2014). However, when teaching the scarcity of resources and choice, most texts do not discuss that some economic decisions and tradeoffs are involuntary and can lead to long term negative consequences. Decisions made under compulsion tend to produce sub-optimal outcomes (Schippers, & Rus, 2021), an important part of what my example can also address, since Mugabe's compensation decision was forced. Mugabe's concession to the war veteran's demands contributed to the destabilization of the economy by giving veterans funds that were not budgeted for.

Using an economic history example to teach these basic economics concepts will engage students' interest, by showing the interconnectedness of economic processes and the relationship between politics and economics. This is important because all economic decisions made by governments are political in nature.

This paper benefits both instructors and students because it is written in a manner that encourages cooperative learning. Cooperative learning is linked to enhanced understanding and leads to retaining a greater proportion of students (Strenio, 2023). Students will better comprehend content through regular formative assessment where feedback is provided (Maier, & Ruder, 2023), and some of the questions that are provided in this paper are useful for that purpose.

Method

Using a backward curriculum design, instructors can holistically plan their lesson by ensuring that three crucial stages are covered (Button, 2021; McCreary, 2022). Firstly, identify the topics and proficiency that you want your pupils to master. This involves predetermining the learning outcomes and the degree of difficulty thinking that students would need. Secondly, deciding on how to assess whether learning took place. Thirdly, compiling a lesson plan that includes all the activities and the pedagogies that will be used to reach the learning outcomes. I provide explain below on how this process can be applied to our topic.

The classic treatment of the PPC is a useful way of depicting concepts of scarcity, choice and opportunity and educators are encouraged to use any example that pitches two goods or services against each to share these concepts. The lesson proposed will challenge students at a higher level than the simple presentation offered in mainstream textbooks.

Using what students know about Zimbabwe's recent economic and political history and the limits facing the President at the time that the decision was made to pay war veterans was made, this lesson would extend the basic concepts learnt from the exercise in the previous paragraph. The active teaching and learning strategy that is applied will engage students as participants in their own learning, instead of the traditional model of lecturing students as they sit passively (Sekwena, 2023). Active learning increases student engagement and attendance and ultimately pass rates (Lewohl, 2023).

Students should consider power retention as a sliding scale – if Mugabe pays the money demanded, he retains power and the economy collapses. If Mugabe pays the amount that the veterans demand, then his political position is weakened, but the advantage is that the negative economic effects are less severe.

Table 1. Lesson plan

Outcomes/Associated Assessment Criteria	Associated Assessment Criteria	Possible Teaching Strategies to achieve learning outcomes	Possible Learning Activities to achieve learning outcomes	Possible assessment questions to achieve learning outcomes

<p>Analyze the concepts of choice and opportunity cost using a relevant economic history example.</p>	<p>The economic consequences of making choices are explored to understand their significance in the context of society and economics.</p>	<p>Use a real-life case study (e.g. this Mugabe – War veteran suggestion) to analyze choice and opportunity cost.</p>	<ul style="list-style-type: none"> - Divide the class into small groups, depending on the number of students present and assigning them a task. - Assign students to analyze this case study and identify the trade-offs made by President Mugabe to help students achieve the learning outcome. Students will be requested to discuss alternative options that Mugabe could have taken instead of conceding to the war veterans’ demand. Students can also discuss whether it was possible to foresee Zimbabwe’s economic collapse at the time that the veterans were making their demands. This is important because it helps students contextualize how difficult decision making is for our leaders as they must allocate scarce resources to multiple competing interests. 	<ul style="list-style-type: none"> - Ask the groups to produce a poster using images that would best encapsulate the war veterans demanding compensation from the Zimbabwe government at the time. This exercise would be useful for bringing history to life and evoke emotions in students that would help them relate to the period and visual aids are beneficial for information retention. - Students will present the poster to their peers, showing the trade-offs that were at the heart of the lesson. - Finally, as a class discuss on question, ask students what they think Mugabe’s legacy is, by reflecting on his body of work as a whole.
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Source: Author

Conclusions

The desire of economics educators to increase their students' pass rates and understanding of content can be realized through rethinking current pedagogical practices. The example provided in this article is designed to challenge educators to think more in terms of relating course topics to real life examples. The increased access to various forms of media allows instructors to create lessons that are multi-dimensional, allowing for greater participation from students. This article has also show that teaching basic concepts such as scarcity, choice, and opportunity cost need not be mundane and can be done in a way that also links more advanced economics concepts. It is very likely that some students would not be familiar with the economic history of the period covered here, but that should be embraced as an opportunity to widen their scope of knowledge.

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