



## Measuring Economic Slack: Actual and Potential Output

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### Abstract

Economics is an integral part of everyday life, yet it is often perceived by students as abstract, dry, and disconnected from real-world experiences. This paper examines the persistent gap between the actual and potential effectiveness of economics teaching, using the concept of economic slack as a pedagogical metaphor. While the lecture method remains the dominant mode of instruction due to infrastructural, curricular, and institutional constraints, it often limits student engagement and active learning. The paper critically evaluates the strengths and limitations of lecture-based teaching and explores innovative strategies to bridge the gap between traditional classroom practices and the potential of learner-centered pedagogy. Methods such as interactive lectures, use of print and electronic media, ICT tools, problem-solving approaches, case studies, simulations, and games are discussed to demonstrate how economics teaching can be made more relevant, participatory, and application-oriented. The study concludes that integrating innovative teaching practices with traditional lectures can enhance economic literacy, promote critical thinking, and reduce the gap between actual classroom practices and the potential outcomes of economics education.

**Keywords:** Economics; Economic Slack; Electronic Media

### Introduction

Economics is a dynamic subject and integral part of our day to day life. Irrespective of the profession that an individual pursues, every person is exposed to Economics at every step. Almost all decisions are driven by Economic principles ranging from buying a pair of shoes to take a loan to purchase a house. Economics is a social science, distinguished from the physical, biological or environmental science, because it is concerned with the behavior of "human being as members of societies". According to Lionel Robbins, "Economics is a science which studies human behavior as a relationship between ends and scarce means which have alternative uses". Bradley has correctly put that "Economic Theory is a logical explanation of cause and effect relationship among economic variables".

If Economics is so vital and we are practicing economics knowingly or unknowingly in our daily routine, still majority of students find the subject boring and dry which needs to be rote learnt and consider that it is with no insights into the real world. As educators of Economics, we need to realize that this perception of our students is mislaid. In the given framework, can we blame them to think this way, especially if the pedagogy used to transact Economics is antiquated?

Among various method of teaching economics, lecture is one of the important method with which economics is imparted to the students and chalk and talk are the only aids used in economics classrooms. Although lectures are the least preferred method for disseminating ideas and knowledge and for guiding and motivating

students and have many limitation, still it is the most common classroom practice all over the world including India. It has been said that for many teachers, lectures are the only options available, as the educational institution lack sufficient materials and other infrastructural facilities. The question needs to be faced by us as an educator of economics is that, is it possible to bring change in the focus of the classroom from the teacher to the learner to bring far reaching implications on how we teach Economics to make it a more interesting subject where concepts are understood deeply so that they can be applied well.

In this paper, an attempt has been made to examine how and why lectures are still important method to teach economics and how economics teachers can improve their lectures by incorporating discussions and story-telling methods, power point presentations as well as to give them an opportunity to connect classroom theory with practical work to highlight the importance of making decisions based on data.

### Significance of economic education

“The major goal of economic education is to foster in students the thinking skills and substantial economic knowledge necessary to become effective and participating citizens. Economic literacy is emphasized as a key to effective citizenship in a free society” [1]. As an individual knowingly or unknowingly one practices economic principles in day to day life. And therefore it will not be wrong to say that Economics is an adventure- Economics is both an art and science, and the knowledge of economics plays an important role in various walks of one’s life. “Economically literate citizens, because they possess an understanding of economic generalizations and concepts, will enjoy a more complete understanding of their world, be able to make reasoned decisions, and be more fully in control of their economic education” [2]. So teaching of economics plays an important aspect of education. The main aim of economic education is to cultivate in students the thinking proficiencies and substantial economic knowledge necessary to become effective and participating citizens in a free society. “The aim and objectives of teaching economics are- firstly to equip the pupil to earn his livelihood, secondly, so that he becomes a responsible citizen of democracy and finally to help the pupil to develop his latent powers and faculties so that he can have a good life and solve all practical problems. Thus economics helps in acquisition of knowledge and solution to practical problems of life” [3]. The teaching of economics should aim at the following:

- To explain the various theories of economics with importance given to their social utility.
- To examine the various economic problem problems with matured mental outlook.
- The knowledge of economics should help students to solve problem of life.
- To bring about economic progress in the country.

While teaching economics, the traditional school setting is based on maxim that are obsolete and incompatible to current research undertaken in the field of education that supports and provides evidences how a student improves learning. So many of us educators go into our classrooms having answered the question, “what am I going to teach today?” Do we ever seek to answer, “What will my students learn today?” By changing the focus of the classroom from the teacher to the learner has far reaching implications on how we teach Economics to make it a more interesting subject where concepts are understood deeply so that they can be applied. Even today majority of economics teaching is carried out using chalk and talk or to be more precise using a lecture method. But why we still following the same method of teaching economics irrespective of the availability of various methods of teaching economics in the digital world.

### Lecture method of teaching economics

“Some people talk in their sleep. Lecturers talk while other people sleep” Albert Camus. Although lectures are ridiculed as the least preferred method for disseminating ideas and knowledge and for guiding and motivating students, it is the most common classroom practice all over the world. It is a general feeling that lecture method is time saving as well as effective in providing information. The lecture method helps in presenting subject matter in a systematic manner. Through this method complicated ideas can be put across in a simple manner. “The method of teaching must be good to make the subject interesting and useful. The method of teaching depends on many factors like the environment, the pupils’ age group etc.” [1].

Lecture is the important method with which economics is imparted in students and chalk and black boards are still the only aids used in economics classrooms in the changing scenario. But can we say thanks to globalization and information technology, as large number of economics teachers are looking forward to use

information technology and wish to teach economics in innovative ways. But what are the barriers that restrict the teaching using modern aid and a teacher is compelled to adopt the same method of teaching that is lecture method.

Factors cause lecture-based classroom practices resistant to change. However, perception about lectures have changed from providing merely information of the course to as an important source to motivate, challenge students and enable them get insights from what is transmitted. Lectures are still important method to teach economics and can be improved by incorporating discussions and story-telling methods. The following are the listed reasons for wide use of lecture method:

- Non-availability of support materials (text books are used)
- The nature of syllabus (crowding of syllabus without deleting the outdated ones)
- Lack of knowledge and interest among teachers in experimenting with new ways of disseminating the course content
- Lack of incentives for teachers and absence of infrastructural facilities to adopt other methods
- Examination system not permitting teachers to follow flexible classroom practices
- High pupil-teacher ratio

Textbooks have their own limitations and may provide content materials in a highly condensed way. When the same information is presented by a teacher, students get the opportunity to clear their doubt which may not be possible by use of textbooks by self. In lectures, teacher gives contextualized examples to illustrate a point. Even for educational administrators also, lectures are considered as best and efficient use of their resources. The overcrowded syllabus and a teacher's limitations to complete the syllabus "in time" do not permit them to conduct any experiment other than regular classroom engagement.

### **Limitations of lecture method**

However the lecture method of teaching suffers from some limitations like:

- Less time is devoted for personalized teaching
- In lectures, emphasis is more on giving information rather than learning.

- The lecture-based classrooms represent what teachers do and not necessarily what learners need.
- Students failed to develop confidence to participate effectively in lecture-based discussions.
- Lectures are also seen as teacher-dominated environment in which students are spoon-fed.
- Struggling environment for both teachers (students neither show interest nor talk) and students (classes are boring).
- There is little scope to develop confidence and independent learning abilities or to stimulate those who become disinterested.
- In lecture-based instructions, students are content to adopt a passive rather than an active role in the learning process.

### **Bridging the gap between actual and potential by using different methods**

It is often asserted that economics teaching lacks practical relevance, thereby losing potential impact from the academic to the practitioner community. Calls to bridge this "gap" between actual practice and potential so as to enhance the connectivity between the two have intensified in recent times. "The method of teaching must be good to make the subject interesting and useful. The method of teaching depends on many factors like the environment, the pupils' age group etc." [1]. There are some strategies for teaching economics in a pioneer way like interactive lecture sessions, use of print media, electronic media, power point presentation, problem solving based learning, case study method, and project based learning and performance related task etc.

### **Use of print media**

"Print media includes a wide range of sources including newspapers, magazines, fliers, bill boards, letters and mailers to name a few. Many a time's students feel that topics are being taught in a vacuum, without any relevance to their lives. Articles demonstrate the relevance of these topics and ideas to what is happening in the world or India. They help students understand how concepts learnt in the classroom get translated into everyday life. The significance of Economics is suddenly made alive for a student who reads newspapers and magazines regularly" [4].

It is believed that Economics Teachers are well equipped to the knowledge of using print media to showcase the practicality of the subject in their classrooms. To make teaching more interesting students can be asked to collect different types of graphs while using data. Needless to say when the government budget is announced, we all keep newspaper cuttings to discuss these when we do budgets later in the year with students. Say for e.g. students can be asked to keep a record of changes in the data pertaining to the foreign exchange rates for a week's period so that this data can be used whilst explaining flexible exchange rates on one hand and at the same time it promotes students participation and inculcate interest of learning economics. This can bring a shift in attitude of learners from a dry and boring subject to a more practical oriented. Along with these basic uses, print media can be used to take discussions beyond the academic curriculum on a particular topic.

### **Use of electronic media**

Majority of the students don't like to study Indian economics as a subject coz they find it boring and believes it to be a theoretical subject which needs to be rote learnt only. However, we as teachers can make it interesting by showing them some movies like "Do Bhiga Zameen" to discuss topics related to Indian agriculture at the eve of independence. After watching the movie groups of students can be formed to discuss the issues relating to the same. Each group can be asked to presents their findings to the class. It will definitely provide deep visual impact on the students, which help them to better understand and be sensitive to the conditions of Indian agriculture. Same practice can be followed for a various topics of economics related to environment, sustainable development, co-operatives etc. During the present economic environment we can even we can show them movies like guru, corporate, swadesh etc.

### **Practical assignments**

The teaching of economics can be made more interesting by giving some assignments followed by interactive discussions. Say for example, the journal Economist has developed a Big Mac Index to compare exchange rates across different countries. This little magazine clipping can be given to the students to discuss how purchasing power parity is used to determine exchange rates. Students can also be encouraged to read newspapers and magazines. Apart from this the newspaper and magazine articles can be used to make very good case studies and students can be asked to share their opinions and views. And during some days of

a week the last 10 minutes of class can be spent in discussing any terminology, ideas or views that students may not have understood.

### **Interactive lecture**

Although, teachers may be asked to adopt new methods other than traditional chalk and talk method of teaching, but as teacher one cannot oversee the importance of lectures in our classrooms. However, it is been found that traditional lecture methods are found to be boring, disengaged and distracted by the students. If this method of teaching is one of the most important ways of imparting the curriculum in any classroom, then why as teachers we cannot modify it to make it more enriching for the students? Why can't we make lectures more interactive wherein students feel involved and more participative in the learning process? In class after completing the concept of the relationship between elasticity of demand and expenditure, students can be given 2-3 application questions that can be discussed in small groups and the findings had to be reported out. For example, a classroom discussion can be arranged on analyzing the impact of a rise in the price of school uniform prices on their parents expenditure just before the academic term started. Or how would the revenue of a 5 star hotel change if it offered a discount during off peak season. Such type of questions can help students to better understand concepts and they can learn to apply it to the real world.

By using interactive lectures brainstorming of students can be done. This kind of exercise initiated by teachers can be practiced in small groups or pairs and this can help teachers to get an idea as to how much students are aware of a topic before it is introduced in the classroom. Say for e.g., before starting the New Economic Policy, students can be asked to discuss their ideas and views of why new economic policy had to be implemented in India in 1991 along with some of the key policy changes. Brainstorming could be used at any time during the lecture as it helps engage students in a topic. Learners can be asked to narrate their personal experiences that are related to a topic and thereby makes it more interactive teaching learning session. For instance, students can be sent for week-long rural sensitization programme. Their experiences became a wealth of information when rural development topic is taught in the classroom. Students can share episodes, anecdotes and other observations in the classroom.

### Use of ICTs in teaching economics

“Information and Communication Technology (ICT) is an increasingly powerful tool. ICTs allow faster delivery and a more adapted content of technical assistance in a variety of sectors ranging from long distance education, telemedicine, environmental management to strengthening of participatory approaches. The tools of information technology-email, web assignments, course management software, mailing lists, bulletin boards, and multimedia- can be productively and easily used to teach economics at relatively low cost in instructors” [1].

Power point presentation is one of the best and cheapest (cost effective) alternatives to teach complicated topics. The visual presentation helps a student to understand better the concept with greater ease. Say for e.g. the power point presentation can make a static equilibrium diagram more dynamic – students can see how movements and shifts in demand and supply curves take place. Color coding can further make diagrams clearer and improved attention spans. Non diagrammatic concepts such as output multiplier can be explained using pictures and animations. The visual impact will assist students to better grasp abstract concepts. While teaching Indian economics students can engage themselves in to better understand and articulate ideas. In fact several of Indian Economics chapters have only pictures depicting the central ideas of the chapter. The presentation can be used and students can be asked to deliberate on what the pictures show, its causes and potential solutions. Say for e.g., while discussing about globalization, a picture of a rural lady carrying a gigantic McDonald burger on her head (instead of a cane basket) and a coke can (instead of a plastic water can) in her hand can be shown. When students are shown this picture, it bring a highly energized, animated and passionate discussion on the impact of globalization- students will be enabled to discuss on the positive and negative aspects of globalization.

### Problem solving based learning

One of the effective strategies to help students construct their concepts is problem solving. “In this method, a problem is solved to find out the result through a set of definite steps. The student tries to find out find out answer to the problem and thus it is a discovery method” [1]. Say for e.g., one of the first concepts of microeconomic theory is that of scarcity and choice leading to opportunity cost.

While teaching this topic, a problem can be posted on planning a farewell party. Students can be given information regarding the money they can spend on things like food, music, decorations, venue etc. thereafter groups can be formed and each group of students needs to decide on probable options it will choose giving the rationale behind their choice. This exercise will help students to have direct understanding of various economic problems that arise due to unlimited wants and limited resources having alternative uses for which choice needs to be made. In addition to that they are also being able to understand that there is an opportunity cost attached to every choice or decision that is made. The problem solving method forms a wonderful way of helping students construct their own knowledge based on their findings on a given problem. Clearly, the teacher’s role in this method of teaching is that of a facilitator, guide and a mentor, wherein they can probe and ask question as to why students have made certain suggestions.

### Case studies

Many a time’s students would imitate teachers’ views in answering questions. They may take whatever the teacher said as the only way to analyze the given economic issue and believes that there is no other opinion. To overcome such a practice adopted by students, a teacher can go for case study method. While teaching Unemployment, the class can be divided into small groups and the data on unemployment in India over the years can be given to each group so that they can discuss the given data; identify the problem, the potential causes of unemployment and its probable solutions. Each group can be asked to present their view on the given problem. This will allow the students to perceive the problem in their own way, analyze it and suggest solutions. It give them a platform to have different views on unemployment and further help them realizing that as long as they could logically justify their solutions there can be various correct answers of a particular question and hence the teacher’s views are not the only views on a topic. Therefore, the case study method help to extend a student understanding of real life issues and in turn enhances his/ her existing conceptual knowledge.

### Teaching through games

Simulations and games can also inspire student interest in economics. Examples of such simulations include a budgeting

game in which each student has a hypothetical amount of money to use for furnishing an apartment or meeting monthly expenses. This simulation applies mathematics skills and illustrates the economic principle of using limited resources-in this case, money-and setting priorities to meet needs and wants. In some foreign universities, economics games are introduced as a step further by creating a video game that combines science fiction themes along with economics principles. In this game students are required to direct the actions of aliens from a world of unlimited resources whose spaceship crashes on earth. Players' actions help the aliens cope with life on earth, where resources are limited [5-7].

### **Conclusion and Suggestions**

There are no two opinions that innovation in teaching and learning aimed at development of creative and original thinking skills is rare while teaching economics which shows the persistent gap between the actual and potential teaching. Despite the fact, the teaching and learning has undergone considerable expansion in recent years and this trend can be expected to continue. Consequently, teachers regularly need to consider the most effective methods of teaching large numbers of students. As a teacher one need to introduce various innovative method of teaching economics so as to maintain student interest and concentration and thereby enhancing students active learning and also to promote the level of interaction. By incorporating the different methods of teaching economics value enhancing proposition can also be done. Along with this there is need to take care of quantum and quality of teaching and learning in economics. In country like ours we need to do more exercise so as to bridge this gap between the actual and potential, as there still continue bottlenecks in different forms that restricts one to adopt new innovative methods relating to teaching. The need of the hour is to set up the links between induction, mentoring, professional development, and teacher practice and student learning.

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