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ANGLAIS - LVII

Lack of financial literacy among voters is a 'threat to democracy'

With a pre-election budget only a couple of days away, full of terms like deficit and GDP, Manchester University students have provided a useful reminder of how little voters understand of the economic terminology economists, politicians and the media throw around.

According to a poll of more than 1,500 adults, around 60% failed to offer the correct definition of GDP when given five choices. A quarter said they did not know. The survey, which was devised by the Post-Crash Economics society at Manchester University and pollsters YouGov, also found that almost half of respondents were unable to pick the right definition for the government's budget deficit from a multiple choice question. Further analysis found that 19% of those intending to vote Conservative and 21% of those intending to vote for the Liberal Democrats confused the deficit with total government debt.

The Post-Crash Economics society came to prominence after it rebelled against the straitjacket of Manchester University's orthodox free-market teaching programme. It argued that alternative ways of thinking, especially about the causes of the crash and the failings of orthodox economics, have been pushed to the margins.

Now students are concerned that with a budget and, more importantly, an election coming up, much of the voting public will be shut out of the debate. Zach Ward-Perkins, a researcher on the project, said ignorance among voters and especially lower socio-economic groups, means "democratic debate stagnates into discussions between small elite groups over small differences behind the backs of an increasingly disillusioned and unrepresented public." He added: "This status quo is a grave threat to our democracy."

The survey fits with studies by newspapers and political parties that find only a minority of voters grasp the jargon and concepts commonly used in economic discourse and repeated in the media. Only 30% of respondents were able to correctly define quantitative easing. A further 21% said they had simply never heard of it. Yet, as the students point out "Quantitative easing amounted to the creation of over £375bn and the Bank of England openly admits that it benefitted the top 5% richest households most."

The survey showed that more than half of the respondents talk two or three times a month at most about current affairs (where it applies to economics). Of these people, only 1% said the subject was unimportant. They blamed the terminology (19%), and the lack of interest among their friends and family (39%) for their failure to debate money issues. Another 17% ticked "yes" to the statement "economics is out of my hands so there isn't any point in discussing it".

Of those who never talk about the subject, most said they had no interest or it never came up in conversation.

Politicians and economists are unlikely to pay heed. Anyone who has learned the language of economics can end up patronising others. But the media should try harder. On budget day, the Guardian will publish a glossary of terms to help readers. Hopefully we will also write in plain English and keep the jargon to a minimum.

The Guardian, 16 March 2015