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Economic Literacy Goes Global

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Think-tank tools building a penny-wise world

It is hard to make sense of the world without adequate information and the words to explain fundamental concepts. Some good news for the new decade is that the level of economic literacy is rising, thanks in part to tools being developed at free-market think tanks around the world. Americans in particular have several new tools to evaluate how their tax money is being used and how much they are being forced to spend on what; more on that below.

When the liberation of the former communist countries took place two decades ago, few in those countries had any understanding of real economics. Ruta Vainiene had been a freedom fighter and one of the original staff members of the Lithuanian Free Market Institute (LFMI) during the anti-communist revolution when she was still in college. Ms. Vainiene, who is now president of the LFMI, the leading economic think tank in Lithuania, became frustrated about the slow progress that was being made in revising Lithuanian textbooks and other materials to remove the old communist/socialist and even Keynesian terminology and replacing it with modern and properly defined economic terms and concepts. She set about to develop a proper economic dictionary for Lithuanian students and others. Much of the initial work involved compiling the terms and concepts in English (which by far has the most extensive economic terminology base) and then translating them into Lithuanian.

Economists in other think tanks took notice and wanted to know if they could use her work as a basis for creating economic dictionaries in their own languages. Ms. Vainiene was able to expand her effort and get the first dictionary published in 2005 while serving as an F.M. Sands Fellow at the Center for Global Economic Growth. Graduate students in the School of Public Policy at Pepperdine University in California also worked on the project by adding terms and checking definitions, etc. Subsequently, a number of think tanks, primarily in Eastern Europe, took the English-language master copy, now known as the Standard Book of Economic Terminology and Concepts, and translated it into their own languages.

Barbara Kolm, who heads the Hayek Institute and Austrian Economics Center in Vienna, saw a need to have a similar German-English dictionary. She and her colleagues further expanded the basic volume with additional help and cooperation from the European Coalition for Economic Growth, the Center for Freedom and Prosperity, and economists from George Mason University. The hard copy German-English Dictionary of Economic Terms was published last year.

Now the big leap with the dictionary is being taken by the ever-energetic Ms. Kolm and her colleagues. Free download apps have been developed for iPhone, Google/Android and BlackBerry. The Spanish-language edition will be available later this month. Translations into Italian, Hungarian, Slovenian, Serbo-Croatian and Montenegrin are under way. Plans are being made for Mandarin, Hindi and Arabic versions. (For additional information, go to Austriancenter.com.) What started out with one woman's vision to improve economic literacy in her small country has become a global collaborative effort to increase economic literacy across the planet and reduce miscommunication. Everyone will have the same understanding of what specific economic terms and concepts mean available on cell phones or iPads.

Meanwhile, U.S. think tanks have been building tools so Americans can more readily understand where their tax dollars are going and how much they are paying for specific government programs. The Tax Foundation has developed a useful tool for evaluating your own tax burden on the basis of current law and what would happen to you personally if various other tax proposals were enacted. Their tax calculator can be found at MyTaxBurden.org.

The Heritage Foundation has developed an excellent Social Security calculator, which enables one to see how much he will pay in Social Security taxes, depending on age and income, and what he could receive if Social Security were totally or partially privatized. It can be found at Heritage.org.

The Independent Institute has developed a government cost calculator, which helps one "determine how much you will pay for various federal programs now and over the course of a lifetime," and "it compares those tax payments to the forgone earnings that would have been possible if such funds were kept and invested in private, market accounts," among other things. It can be found at MyGovCost.org.

The Cato Institute has developed DownsizingGovernment.org, which is designed to "help policymakers and the public understand where federal funds are being spent and how to reform each government department."

The above-mentioned tools are just a few of the new electronically available interactive ways to give people a better understanding of both what government

is doing for them and to them. These tools all were developed by privately funded organizations at a fraction of what the cost would have been if they had been created by government. But, of course, they would never have been created by government because they all help protect the individual from government.

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