Social Studies and Economic Education in the Free Trade Era

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Twenty First Century represents an era of information revolution where strength of a nation is to be determined by the quality of human resources. It has begun as an era of knowledge management, information technology revolution, and globalization in all facets of modern living. Knowing how we learn, how to turn information into knowledge and how to document and analyze life-long learning are essential in the 21st century because of the major changes around the globe. Current technological changes taking place at an unprecedented pace have touched and transformed every aspect of our lifestyle. The power of information technology doubles every 18 months (Garreau, 2005).

To enhance students' chances for employability they need to be equipped with skills to handle the complexity of modern world where education plays the key role in everyday living. During the past three decades the pace of technology has made an enormous impact on the practice of teaching and learning. These unprecedented technological and social changes put pressure on our educational institutions to prepare students to face challenges of the new era human race has entered. “What we must be educating our students to know is how to learn, how to turn information that is now so accessible and ubiquitous into knowledge and how to document and analyze their own learning” Cambridge, 2006, p. 4). While the developed countries have already achieved literacy rate above 95%, the developing countries are still way behind in terms of not only providing education for all but the quality of education they offer to their students.

Improving the quality of human resources is the primary focus of education in the developed countries. Even if the countries like Japan, South Korea and Singapore are not endowed with many natural resources, the commitment towards work-ethic cultivated in the formal and informal institutions of
these countries has put them at the forefront of economic progress. Quality of education system gives the authentic barometric reading of the quality of graduates it produces. Investment in human capital is a key factor to foster technological changes and economic prosperity. A high quality and responsive education system is vital to increasing skills and to boost labour force participation and productivity. Quality education offers substantial social and economic returns for the economy of a nation and for individuals.

Rise of middle class and consumerism in the developing countries of Southeast Asia has created demand for quality education. This demand is far more than the current sector of tertiary education can meet. Scenario of India and Indonesia speaks volumes for the other developing countries which are trying to revamp their education system. Knowledge Commission of India (2005) advocated a complete revamp of the existing education system because the quality of education of graduates from universities and colleges is so poor that industry and service sectors say that only a miniscule number of graduates are readily employable and it’s a heavy burden on the agencies that employ them. Addressing the graduate ceremony of Mumbay University Prime Minister Dr. Man Mohan Singh drew attention to the problems associated with India’s education system. “Our education system in many parts is in a state of disrepair… higher education enrolments are abysmally low. Almost two-thirds of our universities and 90% of our colleges are rated below average on quality parameters” (2009).

In Indonesia, even though literacy rate has improved remarkably in recent years, many universities and high schools are providing education which on quality parameters remains far from being satisfactory. Education system is short of providing skills needed in the workforce, let alone turning out entrepreneurs. Poverty is forcing many students to drop out of schools. BBC new report (February 1, 2012) gave the figure on drop-out rate in Indonesian high schools where every eight minute a student is dropping out and joining hundreds of thousands of street children. To improve the quality of workforce in Indonesia, foreign companies have to pay compulsory training levy to equip Indonesians with necessary skills to replace expatriate workers.

In general, in the developing countries like India a few institutions of excellence mask the reality that higher education institutions have become incapable of producing students with skills and knowledge to handle modern technology and the associated economic and social challenges. World Bank (1980) found that the mean score of students from the developing countries was equal to the score of the bottom 5% to 10% students from developed countries because the quality of education is much higher in the developed countries.
Role of Social Studies
With its roots embedded in many disciplines, social studies in school curricula plays central role to develop academic literacy and character building of students. Schools and institutions of higher education in Australia have come under close scrutiny about the values, skills and knowledge they develop in graduates they produce. In Australian schools, the main focus of social studies syllabus is on (a) improving academic literacy, (b) awareness for sustainable development, (c) active citizenship and (d) character building.

Academic literacy, the ability to successfully master the types of material taught in most school curricula is a sub-area of cognitive development for children of school age. Arguably, an academically literate person can effectively communicate and handle the tools to tackle the problems they confront in their daily lives. There is heavy emphasis on developing higher level of thinking such as summarizing, explaining, evaluating, comparing and critically analyzing. There is a heavy emphasis on developing intrinsic motivation for deep learning and how to go about getting necessary information from different sources, critical thinking, problem solving, team projects and offering solution to the imagined and real life situation problems.

Because of its natural resources wealth, small population and no countries to share the land boundary Australia is regarded as a lucky country. The so-called education revolution of Australia aims to make Australia a clever country. However, Australia’s population is concentrated along the southeast and southwest coastal areas in the state capitals. This uneven population distribution makes it imperative to be aware of the consequences of heavy use of resources in some areas. Environmental issues in social studies are always kept at the forefront.

Being a multicultural society Australia is one the best example of people of different cultural and religious backgrounds living in harmony with each other. All students have equal opportunities to develop their understandings of and commitment to, Australia’s democratic system of government, law and civic life. Social studies teachers develop the capacity to clarify and critically examine values and principles of Australian democracy and the ways in which it contributes to fair and just society and a sustainable future. Teachers encourage communication and involvement within the wider community through ethical decision making and active citizenship.

There is an increasing interest in implementing character education in schools. To cope with the demands of the modern society an effective education system must aim at producing students with moral values where students are able to judge what is right, care deeply about what is right and do what
they believe to be right (Lickona, 1991). Social studies, more than any other subject, bears more responsibility to foster ethical and caring young people by modeling and teaching good character through emphasis on universal values that we all share. Character is the most important essence a person can possess as it defines who the person is and frequently measured to refer to how good a person is. It is teaching about basic human values with a goal to raise children to become morally responsible and self-disciplined members of the society. Recent findings show that effective character education supports and enhances the academic goals of schools and good character education promotes learning. “The inseparable skills of critical thinking, writing, and listening depend upon students’ ability to postpone judgement and tolerate ambiguity as they honour the dance between passionate assertion and patient inquiry (Academic, Literacy, 2006, p.12).

Social studies must play a pivotal role to prepare students with the attributes to match the challenges of the 21st century. The challenges that have plagued a number of countries are system wide corruption, religious bigotry, environmental issues violence, terrorism and poverty to name a few. Why are these social evils so rampant when human race has made phenomenal gains in technology? Obviously, something is drastically missing in our school curricula and family values. There is a need to produce citizens with local concerns and global outlook.

With its focus on civic responsibility and social competence, social studies has a unique place in study program at high school level and beyond. Its basic aim is to give students the ability to make reasoned and informed decisions as citizens of a culturally-diverse, democratic society in an interdependent world. It does this by developing students’ sense of their social world and their place in it; their respect for their own cultural heritage and that of others; their respect for the rights of the other people; their commitment to uphold, critically and compassionately, the values of social justice, democratic process and ecological sustainability; and the capacity to contribute to the equality of life on the earth, now and in future. Social studies develops students’ understanding of how individuals and groups live together and interact with their environment. Students develop respect for cultural heritage and commitment to social justice, the democratic process and ecological sustainability. Students develop these understandings through processes of social inquiry, environmental appraisal, ethical analysis and the skills to constructively critique various perspectives from past and present contexts. Students are encouraged to apply their understandings and skills in their own lives, in developing environmental
consciousness, social competence and civic responsibility. In doing so, they are engaged in actively exploring, making sense of and contributing to improving the world around them. Acknowledging that students are operating in rapidly changing world, social studies equips students with the knowledge, skills and values needed to understand and participate effectively in these changing contexts.

Changes confront students in a number of contexts—local, national, regional, and global and include increasing interdependence as a result of globalization; the use and impact of new technologies; the dynamic nature of social, economic, and political structures and relationships; the increasing demand for decreasing natural resources and the emergence of sustainable management practices; and the acquisition and application of new knowledge. Social studies is important for students in that it fosters in them the capacity to develop new and integrated approaches to seeking solutions to a range of social and environmental issues of importance to humanity. In Australian schools the main focus of social studies is on knowledge issues, skills and values. As the students progress through high they learn about the local, national, regional and national issues. They develop skills of social inquiry investigating, reasoning, participating and communication. There is heavy emphasis on values such as democratic process, social justice, ecological sustainability, moral and ethical issues, and commitment to the core values of the society.

**Indonesia**

With 17500 islands the Republic of Indonesia is the world’s biggest archipelago. Six thousand islands are inhabited and 1000 are permanently settled. These islands cover 1.8 million square kilometers, bordering 10 countries. After China (1.3 billion), India (1.2 billion) and the United States of America (311 million), Indonesia (240 million) is the fourth most populous country in the world. About 51% people in Indonesia are below the age of 30 years. In Indonesia there are 490 ethnic groups (Javanese 45%, Sundanese 14%, Madurese 7.5%, Coastal Malay 7.5% and others 26%). Muslims (86%) are the majority religious group, followed by Christians (8.7%) and Hindus (1.8%). With such a diverse range of tribes, religions, languages, cultures, and factions Indonesia is a plural society. There is a huge imbalance in population between the Inner Islands of Java, Bali, and Madura and the rest of the archipelago. More than 60% of Indonesians are located on the island of Java which consists of only 7% of the area of Indonesia. Seventy percent people of Indonesia live in rural area. Forty two percent of the labour force is engaged in farming; 39% in services, and 18.6% in industry. Literacy rate is 90.4%.
Historically, pluralism has played an important role among Indonesians going back to the time of peaceful coexistence of Hinduism and Buddhism. Independent Indonesia was born in 1945 as being a plural society with the constitution and _Pancasila_ representing a compromise between the demands of strict Muslims, _abangan_ (more secular) Muslims and the minorities. State motto of contemporary Indonesia, _bhinneka, Tunggal Ika_ or _Unity in Diversity_ symbolizes ‘oneness of surface differences between Buddhism, Saivism, and new, fringe presence of Islam (Anthony Reid, National University of Singapore, Jan 21, 2007).

Pluralism in Indonesia has been a fact of life and is deep-rooted in its history and is going to stay. Although at certain periods of time there has been political and religious authoritarianism that has attempted to uproot it, such efforts always end in vain. From this perspective there is no solid reason to fear that Indonesia is no longer a conducive place to become a center of inter-religious studies. The emergence of extreme Islamic radical and militant groups tend to threaten the social fabric from time to time. Sometimes one wonders if Indonesia as a unified political entity has outlived its usefulness. Others wonder what kind of social or political glue is necessary to hold together such a diverse nation. However, once Indonesia overcomes its acute domestic socio-economic problems, religious radicalism is unlikely to destabilize the country (Syafi Maarif, 2007). State-enforced national ideologies, a massive military infrastructure, and centralized bureaucracy have come to create a unified nation of 240 million people. Race, ethnicity, religion occupy an important place in the discourse about the formation of a nation-state in Indonesia. Uneven development and religious history have complicated the smooth march towards national unity. Worldwide, there has been an appreciation of Indonesian leadership to handle Islamist militants.

**Indonesia: Geopolitical centre of South Asia**

Resource-rich nation with petroleum, natural gas, tin, timber, coal, nickel and copper Indonesia is strategically located with Malacca strait linking Indian Ocean and South China sea and Pacific Ocean basin. It is perceived as the geopolitical centre of ASEAN which is a key factor in the geopolitical dynamics of the larger Asia-Pacific region. It continues to emerge from a period of authoritarian rule and is consolidating its status as one of the world’s largest democracies as well as one of the fastest growing economies. It is a key geopolitical actor positioned astride the strategic sea lanes.

Many countries in South East Asia such as Japan, South Korea and Singapore have improved their teaching practices and turn out graduates
to fit in the world workforce and become entrepreneurs. Are we producing academically literate students who can be self-confident and enterprising. Schools and institutions of higher education have come under close scrutiny and are being held accountable about their practices of teaching and the quality of graduates they produce. Are we producing students who can effectively communicate and handle the tools to tackle problems they confront in their daily lives. The range of literacy emerging from the 21st century conditions mean that students need to develop different and new abilities related to learning, information and knowledge. In the 21st century what we must value in the institutions of higher education is literacy related to learning, especially how we learn, how we turn information into knowledge and how we document and analyze our learning within and beyond formal education. Social studies curricula in Indonesia need to play an active role to prepare citizens to understand the current internal and external forces which are impacting the country with a bigger force than ever before.

Social Studies vis-a-vis Internal Challenges of Indonesia
There is a general perception in the Indonesia minority groups, especially in the border provinces and in the tribal areas, that Javanese culture is undermining their customs and they are being neglected. This perception is the source of strife and political instability in some parts of the outer islands of Indonesia. To a degree, Indonesian authorities have started showing better understanding of the grievances of minority groups, rather than taking military action to quell the uprisings. Below are some of the internal issues which need to be attended to with compassion and deeper understandings of the concern of the minority groups.

Portuguese-ruled East Timor Leste separated from Indonesia with a lot of blood-shed. It was a case of different religious minority group which had their grievances rooted in being a colony of Portugal, and being neglected after the Portuguese left. Military high-handedness could not keep East Timor in the national fold.

Aceh Banda has remained a boiling spot and eruption of violence has at least temporarily ceased. With 4.4 million Muslims with strong beliefs about their religion and ethnicity Acehnese believe that Indonesia is not a natural unity. It is a Javanese-dominated archipelago. Gerakan Aceh Merdeka (GAM) struggled for independence. After 2004 Tsunami catastrophe which claimed 130, 000 lives in Banda Aceh a peace agreement was signed in Helsinki in 2005. Under the agreement, partial autonomy was granted to Aceh as right to retain 70% of the province’s oil and natural gas revenue. Indonesia has reduced
the military presence from Aceh. Aceh conflict claimed 15000 lives.

Papuans are Melanesian people, ethnically akin to the people of Papua and New Guinea. There is an on-going conflict between the indigenous Melanesian people of Papua and Indonesian security forces which comprise mostly Malay ethics. Central to the Papuan conflict are the vast natural resources and wide spread poverty. An estimated 36% of the people do not have access to health facilities. Poverty in Papua and West Papua is twice the national average. Now under the Special Autonomy Law for Papua (2001) 70% of oil and gas, 80% of mining and fisheries royalties are granted to the people of Papua. However, the issue is related to ethnicity and religion as well. Although transmigration is a national policy in Indonesia, people in Papua feel that because of the increasing number of non-Melanesians they will be in minority in their own land. Currently, 10,000 strong military brigade is stationed in Papua.

Rise of radical Islam and inter-communal strife has the potential to sow the seeds of national dis harmony. It challenges the secular nature of the Indonesian state over cultural and moral issues. Vast majority of the Indonesians practice a moderate form of Islam, but a very small radical minority have created much internal turmoil and have sought to establish an Islamic state. Although some high profile Islamist Muslims have been killed or put in jail, sentiments for radicalism are still strong and a threat to secularism in Indonesia has not died altogether. Some Indonesians question the quality of education young Indonesians receive in thousands of pesantren Islamic boarding schools. Some extremists are hostile to the Christian minority. Inter-group conflicts between Muslims and Christians also do take place in Sulawesi and the Maluku, and between local Dayaks and inter Madurese migrants in Kalimantan.

Social Studies vis-à-vis Global Challenges for Indonesia
Just as ASEAN region is sandwiched by the tectonic Asia-Pacific plate to the north and Australian Plate to the south, economically and geopolitically it is becoming an economic battlefield in the Asia-Pacific Rim. China has already signed Free Trade deal with the ASEAN-6. With 1.9 billion people, US$ 6 trillion GDP and a trade volume of US$ 4.5 trillion it is the world’s biggest Free Trade area. ASEAN countries have recognized the opportunities and access to the huge Chinese domestic market for its resources whereas for China the manufacturing powerhouse ASEAN provide access to its resources and market for its manufactured goods and textile. Entrepreneurs in Indonesia need to think about the pros and cons of this free trade deal. With its manufacturing sector in its infancy, Indonesia will find it hard to compete with cheap Chinese goods entering Indonesian markets. Various industries in ASEAN fear that
Chinese products are flooding their markets due to zero tariff regime under ACFTA. These concerns have resulted in calls for the suspension of zero tariff agreement. For example, 14 national industrial Chambers of Commerce in Indonesia, including the steel and garment industries asked the government and ASEAN Secretariat for the postponement of ACFTA implementation. Similar concerns were echoed in Thailand, the Philippines and Vietnam. These concerns have not disappeared. To add to this problem is ASEAN disputes with China over resource rich territorial waters in South China Sea.

China threat still waxes and wanes among some ASEAN countries. China’s dispute with Vietnam, the Philippines and emergence of future economic world centre has invited the attention of the United States. India is a new player in the region with its policy of “look East”. Australia with its 70% of trade with Asian countries considers itself not a “White Western Rock” but a geographical entity of Southeast Asia. Real or imaginary fear in some of the South East countries is the Dragon Threat. USA perceives China as a hegemonic rival that could pose a threat to the USA and its allies in Asia including Japan, South Korea and Taiwan. USA is already having Free Trade with Singapore and has offered similar pact to Thailand and Malaysia. Obama’s interest in Indonesia goes beyond his nostalgia of childhood days in Indonesia. When in Bali ASEAN conference (2011) Dr. Man Mohan Singh talks about the Non-Alignment Block where Jawahar Lal Nehru and Sukarno played important role there is a message on economic front too. On its part China is wary of the USA interest in the region and considers ACFTA as one of the tools to construct the idea of friendly and peaceful rising China which continues its economic development and growth.

Road blocks to Nationalism and Entrepreneurship in Indonesia
A main thrust of teaching curricula in general and social studies in particular should be to prepare graduates with wider vision of the global issues and deep understanding of the divisive forces in the Indonesian society. Highly centralized bureaucracy, Javanese dominance, uneven economic development, and inequity of employment opportunities are perceived by the people in the outer islands as unfair. Outer islands have strong ethnic, cultural and religious identities, much different from those of Java. At academic level, there is a debate whether Indonesia is a organic state or artificial creation during the Dutch Rule. How to integrate and unify thousands of islands with diverse cultures, ethnicity and faiths is a question which should take a centre-stage in social studies curricula. Emphasis in social studies should be on inclusive education where all students should have equal opportunities to exploit their
full potentials. There is an urgent call to produce citizens with moral character to tackle the social problems such as inter-communal discord, Islamist extremism, corruption in government. Tolerance for diverse views among Indonesian needs to be strengthened.

Indonesia’s rising international status and economic growth are clearly worthy of acknowledgement. However, corruption, high rate of unemployment, unemployability of large number of college graduates, high rate of school drop-outs, poor quality of teaching and irrelevance of teaching contents need to be seriously looked into. For a country priding itself on its robust mix of various ethnic groups and religious beliefs under the national ideology of Pancsila, there shouldn’t be much room for inter-faith strife. For good reason, Pancsila remains this nation’s guiding ideology. To combat these cracks in the social and national fabric, action has got to start at the school level and social studies must take the driver’s seat to guide the youth for a wider vision to build the nation and to show leadership in taking bold enterprising decisions. As a democratic nation Indonesia needs to draw on the spirit that Pancsila and unity in diversity embody. Fading respect for diversity in a country like Indonesia is bound to stay as a roadblock for the prosperity of the nation. School curricula must focus on preparing the law abiding citizens.

Transmigration is a policy being followed in Indonesia with a dual purpose: to relieve pressure from the overpopulated islands and to promote better understanding among the people by encouraging them to mix with the people of different ethnicity and religion. Success of this excellent policy depends upon how social studies promotes the concepts of national unity, mutual tolerance and democratic ideals. Educational leaders must ensure that schools provide quality education irrespective the geographical location of the schools.

Indonesia is South East Asia’s largest and vibrant democracy and the third largest democracy in the world. A robust media and civil society and direct and fair elections are the heart of its strengthening political institutions. After the Summit of G-20 in Bali in October 2011 there is a general feeling that Indonesia should reassert its leadership in the region. “Every Indonesian needs to realize and understand that this country exudes diversity, supports diversity and was forged on the value of diversity. Regardless of faith, ethnic group affiliation, or beliefs, we are all Indonesian” (Beni Santra Negara, April 13, 2011, Jakarta Globe). Now Indonesia is politically stable, with a fast growing economy, it is a high time to strengthen the social fabric for nation building. According to one view, Indonesia represents the biggest prize in the region caught uneasily between China’s rise and the USA’s renewed engagement.
Indonesia has a strong tradition of Non-Alignment and should not be caught up in the Sino-USA rivalry.

**Conclusions**
What does it mean to be an Indonesian? Do all the people in Indonesia from different islands have the sentiments for nationalism? Answer to these questions does not seem to be categorically “yes”. What is missing? How can be nationalism promoted so that people of inner and outer islands start feeling that they all belong to the same family and the same nation? These sentiments of Indonesia-ness must start at the school level where social studies can play pivotal role. To take the country forward we must find solution for everyday economic challenges, understanding the local and global geopolitical forces, regional issues in ASEAN region, and global competition. All Indonesians need to be taken on board and all Indonesians deserve to improve their life chances if we promote a functioning democracy and fair Indonesian society led by forward-looking and enterprising leaders.

Free Trade is like manna from heaven for entrepreneurs from outside and inside a region. Competition is the greatest attribute of free economy. It is in social studies students need to be made aware of the implications of Strategic Trade, Fair Trade, Free Trade, and sustainable development. Primary aim of international corporation is profit making. While we want our students to be enterprising we equally want them to be aware of their responsibility to the environment we live in and how our own actions and the big corporations impact not only our lives but of the future generations too. International markets are not a level playing field as countries with surplus products may dump them on world markets at below cost. Countries whose economies are largely agricultural (e.g. Indonesia) face unfavourable terms of trade whereby their export income is much smaller than the import payments they make for high value added imports, leading to high debt level. Developing or new industries may find it difficult to become established in a competitive environment. It also leads to pollution and other environmental problems as companies fail to include these costs in the price of goods in trying to compete with companies operating under weaker environmental legislation in some countries.

We live in a time when great vision is called for, when our prosperity and security depend on our capacity to develop pupils and teachers who can understand and be able to engage with the dramatic social changes that today’s knowledge society represents along with their human consequences. Our future prosperity depends upon our ingenuity; our capacity to harness and develop our collective intelligence in terms of the central knowledge economy attributes of
inventiveness, creativity, problem-solving, cooperation, flexibility, the capacity
to develop networks, the ability to cope with change and the commitment to
life-long learning..... Schools and professional learning communities also
work best when they not only process knowledge and learning effectively, but
also attend to social and emotional aspects of teaching, learning, caring, and
strengthening relationship, community and cosmopolitan identity (Hargreaves,
2003, p.162). Social studies is the launching pad to prepare our students for
entrepreneurial skills.