
The Entrepreneur

The Belden Center for Private Enterprise
Education

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The Belden Center for Private Enterprise Education
Harding University School of Business
Searcy, Arkansas

This issue courtesy of John Sansom, CPA, Pensacola, Florida.

An Academic Entrepreneur's Role In Promoting Economic Enlightenment

Business Facts Book Published

Over an eight-month period this year, sanctioned by the Searcy Chamber of Commerce, Harding University Economics students and staff, under the direction of Dr. Don Diffine, Director of the Belden Center for Private Enterprise Education, teamed up to research, write, type, print and bind the newly compiled 1984 edition of **LOCATING IN SEARCY, ARKANSAS — A Facts Book for Business and Industry — Individuals and Families.**

The 170-page book, which the Chamber sells for \$15.00, was a relevant and practical experience for the Economics students. At the same time, it helped Searcy by providing a current and complete course of city information. It is worth noting that approximately 50 percent of the U.S. population is within a 550 mile radius of the state's borders.

Coinciding with Harding University's 50th year in Searcy, this was a public service project, representing about 1000 man hours by Economics students and staff in its development. At the core of these young authors is the 1984 "Capitalism Corps," the Harding University "Students In Free Enterprise" Economics Team.

Assisting at all the crucial stages of this monumental project was the Center Secretary, Mrs. Marcella Bailey. Without the superb administrative talents of Mrs. Bailey, this signal publication simply could not have been fully developed.

Because of the unique relationship between our community and the University, this project is just one of the many good things that have happened along the way to bring Searcy and Harding closer together. This new informational guide can be a major factor in recruiting a solid mix of people and industry necessary to aid the Chamber to move Searcy forward as a thriving rural center of commerce and agribusiness.

by
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Professors in Business and Economics have a special opportunity and obligation to encourage appreciation of the freedoms on which this country is built. We can direct our efforts toward translating traditional values into practical education programs. We can create and sustain a near-unique greenhouse climate to develop a central depository, dispensary, and a variety of delivery systems — all of which can help us effectively promote economic enlightenment.

As private enterprise educators and academic entrepreneurs, we can emphasize this particular area of economics that is neglected on most campuses today. Yes, there is an economic system based on individualism that literally develops all of the talents of all the people. Private enterprise is more than just a neutral concept; it is a worthwhile and attainable goal.

Across the land, private enterprise education is experiencing a renaissance. Our educational philosophy can be to recognize the merits of free, private enterprise and to evaluate the business community in the perspective of its achievements as well as shortcomings. If our economy continues to survive and flourish, it would certainly be due to a greater sense of objectivity among our opinion leaders, the reasoned arguments of business leaders, the unbiased research of economists, and the more responsible actions of educators and students.

College professors did not invent free, private enterprise. However, we can challenge ourselves to come up with positive, non-partisan, objective, responsible ways to increase an awareness of the system in which a person is "free" to do anything he wants, if he has the "enterprise" to do it.

Our goal, then, can be to help each citizen to put a polish on his amateur status as an economist, because in a very real sense he is his own personal economist.

Improve the understanding, and better attitudes will be a healthy byproduct. We can tell our constituency that because of capitalism, they are something special; they have a chance to succeed or fail. Because of capitalism, man is an individual; he has dignity, and he has freedom of choice.

We are not merely propagandists for the system. Our goal can be to assist people, both opinion leaders and the masses, to understand the facts of economic life. The result could be a more responsible citizenry, and a more productive work force. It is true that the American people know that we have a great economic system, but they don't know why. Therefore, the purpose of private enterprise education is to inform our people and remove some of the mysteries.

Dr. Irving Kristol once warned about what will happen if the relationship between morality and capitalism is forgotten:

To the degree that we fail to appreciate that capitalism involves educating young people to certain standards of what is good, what is proper, what is desirable, until we begin to understand that that is what capitalism is, I think that economists, who at the moment are regarded as the prime defenders of capitalism, will yet end up making capitalism utterly defenseless before its enemies.

HAVE WE DONE OUR HOMEWORK?

Free, private enterprise has been underdefended ideology. It has often been the greatest story never told. The American Economy has been called the 8th wonder of the world. But economic illiteracy about it has become the 9th wonder of the world. Because our judgment can be no better than our information, we're caught in a triple whammy of misinformation, little information, and no information.

Democracy stands in danger of collapsing around the practice of fiscal irresponsibility as the public gradually learns that a simple majority can vote money and programs for itself, erroneously believing all the time that it will be paid for by others.

"Free, private enterprise" is a term that is not well understood, and it is all too commonly misused. This is not only true in and out of the classroom, but also in and out of the business world. And, unless free, private enterprise is understood from the very beginning, then any economic education program is in danger of being used on some glaring misconcepts and half-truths.

Economics is fraught with more fallacies and myths than any other discipline, so defining "free, private enterprise" and taking a look at its track record is extremely important. This must be done on the front end of any program or project, or it is doomed to failure. We must do our homework if we're going to truly be credible scholars.

Because our peers are looking for cultural reference points, we say that basically, a free, private enterprise system is simply the idea of freedom applied to the marketplace. Under such a system, the individual is indeed free to earn his keep and keep what he earns.

Perhaps today too many of us put too much emphasis on the "free" and too little emphasis on the "enterprise." We tend to use interchangeably the terms "free enterprise" and "private enterprise." "Free" merely explains "how" it is accomplished and "private" says "by whom" it is achieved.

For all of us, our judgment on any subject becomes no better than our information. Yes, if ignorance paid dividends, most of us could make a fortune on what we don't know about economics. Although we should never underestimate the people's wisdom, we should also never overestimate their knowledge. Let us also never forget that not all economic education is private enterprise education. Far from it.

ECONOMIC EDUCATION BEGINS AT HOME

Our primary market — (our customers) — can be students, teachers, alumni, friends of the University, business and civic groups, opinion leaders, the man-on-the-street, the clergy and elected representatives, media representatives — everybody. Since free market economic education begins at home, at the Harding University Belden Center for Private Enterprise Education, we have developed the following specific objectives:

1. To **promote** an accurate and objective understanding of America's business system in its many aspects and its various components.
2. To **act** as an information exchange among those involved with private enterprise education, particularly in relation to research, teaching methods, and curricula.
3. To **create** a high degree of economics literacy among elementary and secondary teachers, business leaders and higher education faculties.
4. To **increase** the awareness of the general public of the economic cost and impact of governmental policy alternatives.
5. To **work** actively to develop through the education field that type of political, social and economic environment which will enable private enterprise to prosper and multiply.
6. To **work** with other publics such as employees, media, etc. to assist in their learning of our private enterprise system.
7. To **collect**, develop and serve as a central depository and dispensary of economics education resource materials.
8. To **provide** support to industries seeking to develop their own employee free enterprise education programs.
9. To **speak** to any and all audiences on the threats to and merits of the free enterprise system.

10. To **provide** a focus — almost a rallying point — for opinion leaders who share our deep commitment in a system of spiritual, economic, political, and intellectual freedom; and in doing so, to harness the tremendous potential which flows through our constituency.

IS ECONOMIC EDUCATION THE ONLY ANSWER?

The cure is not a simple one. The remedy, according to many well-intentioned folks, is exposure to back-to-the-basics economics, along with a listing of the myriad problems of business, and rounded out with a good dose of “what - great - people - the - business - people - really - are - once - we - get - to - know - them.”

It’s not that simple; let’s take a closer look. First of all, most people don’t appreciate having the cure forced down their throats, because most people don’t regard themselves as economic illiterates.

Most people do have a grasp of simplified economics: One needs money to launch a business; one won’t attract capital unless one has a product investors can believe in; you must make a profit to stay in business; one has to be able to generate production to meet the demand and one must earn a profit (including covering opportunity costs) to remain in business.

Sometimes, we can do too good of a job explaining the virtues of a free market system. But let us not forget that today we do **not** have a free market system — we have a **mixed** economy. If most of our citizens think that we do have a free market system today, they could likely blame the wrenching problems of our economy on free, private enterprise. Economic education programs glorifying our system as it is today, in the name of pure unfettered capitalism, only serve to reinforce such a myth.

Most people do not have a burning desire to understand either the so-called “dismal science” of economics or the problems of business. However, most people are concerned about preserving their own individual freedom. The good news for economic educators is that a discussion of a free market system can counter economic illiteracy as it relates to free market: Personal freedom cannot survive without overall economic freedom.

This is the approach that we can take. As we appeal to the self-interest of people, we tie together in their minds the vital link between private property and constitutional government.

STRATEGY — A MORAL DEFENSE

Joseph Schumpeter used to characterize the modern mixed economy as “capitalism in an oxygen tent.” My late colleague Ben Rogge put it this way:

The question before the house is not whether the survival of capitalism is in doubt; this is admitted. The question for us is, what to do? Perhaps all of us

would feel more at ease as the diagnostician than as the therapist. Admittedly, diagnosis must usually precede therapy. Proper therapy usually rests upon proper diagnosis of the problem.

What is needed, then, is a polished strategy of a moral defense tying together both private property and personal liberty. They stand or fall together; and a delicate balance must be achieved between the private and public sectors, as we accept this challenge.

Responsible advocacy economics is needed to sell through principled arguments the belief that, historically, free, private enterprise has all the good arguments on its side. There is no alternative to capitalism that credibly promises wealth and liberty. There must be a candid portrayal that if free, private enterprise has its shortcomings, it also has its virtues. These virtues outweigh the possible benefits of alternative systems. Capitalism wins hands down in any comparison.

We must think and speak in terms familiar to those people they must reach; convince the public that what American capitalism has going for them is the best there is. Business managers, who may have had a good track record in the face of obstacles, must now do more than manage — they must also defend.

Although we need more business people who will say, “I’ll support it — you get it done,” business will have to do more than relegate the cost of explaining themselves to the half-world of educational contributions and charity. The time has come for business to realize that costs of pollution abatement — both physical and intellectual — are part of doing business today. Harness some of the ingenuity that has given us the finest business system in the world.

Despite the antagonism between business and academia in our country, or perhaps because of it, the college and university campus remains the number one priority of those who wish to repulse the ideological assault on private enterprise. The answer lies not in business cutting off its support of academia, but in even greater support toward certain specific ends. We must help provide answers to the public’s questions concerning our economic system and way of life. We must make private enterprise education one of the nation’s top priorities.

It must not be said that American business can sell anything except its most important product — itself. The most important thing in America today to the safety and well-being of every American is solvent, healthy American businesses. An ounce of initiative sometimes produces a pound of profit.

Business people have an opportunity to help mobilize public opinion toward an outcome in which government and business each attend to their respective roles. This is a difficult and high-sounding goal. But it is one that can be based on common sense economics.

RESULTS — THE NAME OF THE GAME

We need to recognize that anti-business movements are often political movements, not economic movements. They need the support of government and the passive business sector to succeed.

Business people should refuse to just be a frozen asset in the struggle, by only grumbling in private. Businesspeople should make a bid for public trust in terms of performance, meticulous attention to quality, and efficient use of natural resources.

Tell your story or some amateur will. If those running for office say, "No tax breaks for the rich," businesspeople should say aloud, "All right, no new jobs for those who need them." Constructive candor is a smart communication tool.

The re-education task can be done on a company basis — each one telling its own story to the people within its own orbit, plant, committees, customers, stockholders, and employees. Quite recently, this author has designed and conducted Personalized Employee Economics Programs (PEEP) for employees of a number of Mid-south businesses. We need to work with our own people. A work force that has some understanding of the marketplace, and of where its own goodies come from, may be a less troublesome, more productive force over time.

Sound business-related economics need to be simply presented to reflect solid knowledge of free, private enterprise, in a manner of semantic skill, utmost clarity and simplicity. Lay the ground work for a practical, proven, pro-free market, mass yet personalized, communications program.

We should expect our views to be represented in the ranks of the faculty of our alma mater, especially if we are subscribing financially to the institution. Additional efforts should be made to publicize the need for economic education. Subsequent programs such as

corporations sponsoring chairs in free, private enterprise education in colleges and universities should be undertaken to meet needs.

Soundly-planned messages are needed to improve economic knowledge, attitudes toward business, and to motivate people to vote responsibly and perform as profit-oriented employees. Messages to correct key misconcepts, establish fundamental principles, clarify current issues are vital. Broaden the "free choice" argument to include workers and consumers in a voluntary exchange market economy.

Emphasis should be placed on effective two-way communication messages noticed, seen, read, heard by a maximum of the audience in a communication method that encourages people to reveal negative attitudes, ask specific questions, and then relieve those feelings answer queries.

IT'S A GREAT SYSTEM—PASS THE WORD

The fate of capitalism, seemingly now in the balance, may be determined by how well those who understand and appreciate it support it when it is under criticism. Let each work and speak and give all possible support to freedom in the marketplace and free enterprise throughout the nation.

The legacy of economic illiteracy is a pervasive one. A massive re-education task awaits us. Free, private enterprise is simply the freedom applied to the marketplace. This idea has rarely been taught on our campuses and in our communities. Yet, we have human talents on our side. We have money and economic power on our side, and most important, we have history on our side.

In the final analysis, the marketplace, despite its shortcomings, is the finest calibrated, most effective regulator of the speed and direction of our highly successful economic system. We should commit ourselves to preserving an essentially free market economy. Hopefully, if we all do our part, the day will never come when it will be a total misnomer to call our economic system "free."



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