

ECONOMICS ADMISSIONS ASSESSMENT**SPECIMEN PAPER****40 minutes****SECTION 2**

Candidate number	K						Centre number						
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Date of Birth													
	d	d		m	m		y	y	y	y			

First name(s)	
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Surname / Family Name	
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INSTRUCTIONS TO CANDIDATES

Please read these instructions carefully, but do not open the question paper until you are told that you may do so. This paper is Section 2 of 2.

This question paper requires you to read a single passage and answer a related question.

You should write your answer in the space provided in this question paper. Please complete this section in **black pen**.

You can use the blank inside front cover for rough working or notes, but no extra paper is allowed. Only answers in the space indicated in the paper will be marked.

Dictionaries and calculators may NOT be used.

Please wait to be told you may begin before turning this page

This question paper consists of 9 printed pages and 3 blank pages

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Read the extract taken from John Kenneth Galbraith's *The Affluent Society* (1958) and then answer the question below in the space provided in this booklet.

Your answer will be assessed taking into account your ability to construct a reasoned, insightful and logically consistent argument with clarity and precision.

QUESTION

What is understood by 'the Conventional Wisdom'? Discuss an example of an idea which qualifies as conventional wisdom.

The Concept of the Conventional Wisdom

THE FIRST requirement for an understanding of contemporary economic and social life is a clear view of the relation between events and the ideas which interpret them. For each of these has a life of its own and, much as it may seem a contradiction in terms, each is capable for a considerable period of pursuing an independent course.

The reason is not difficult to discover. Economic like other social life does not conform to a simple and coherent pattern. On the contrary, it often seems incoherent, inchoate and intellectually frustrating. But one must have an explanation or interpretation of economic behavior. Neither man's curiosity nor his inherent ego allows him to remain contentedly oblivious to anything that is so close to his life.

Because economic and social phenomena are so forbidding, or at least so seem, and because they yield few hard tests of what exists and what does not, they afford to the individual a luxury not given by physical phenomena. Within a considerable range, he is permitted to believe what he pleases. He may hold whatever view of this world he finds most agreeable or otherwise to his taste.

As a consequence, in the interpretation of all social life, there is a persistent and never-ending competition between what is right and what is merely acceptable. In this competition, while a strategic advantage lies with what exists, all tactical advantage is with the acceptable. Audiences of all kinds most applaud what they like best. And in social comment, the test of audience approval, far more than the test of truth, comes to influence comment. The speaker or writer who addresses his audience with the proclaimed intent of telling the hard, shocking facts invariably goes on to expound what the audience most wants to hear.

Just as truth ultimately serves to create a consensus, so in the short run does acceptability. Ideas come to be organized around what the community as a whole or particular audiences find acceptable. And as the laboratory worker devotes himself to discovering scientific verities, so the ghost writer and the public relations man concern themselves with identifying the acceptable. If their clients are rewarded with applause, these artisans are deemed

qualified in their craft. If not, they have failed. By sampling audience reaction in advance, or by pretesting speeches, articles and other communications, the risk of failure can now be greatly minimized.

Numerous factors contribute to the acceptability of ideas. To a very large extent, of course, we associate truth with convenience – with what most closely accords with self-interest and personal well-being or promises best to avoid awkward effort or unwelcome dislocation of life. We also find highly acceptable what contributes most to self-esteem. Speakers before the United States Chamber of Commerce rarely denigrate the businessman as an economic force. Those who appear before the AFL-CIO¹ are prone to identify social progress with a strong trade union movement. But perhaps most important of all, people approve most of what they best understand. As just noted, economic and social behavior are complex, and to comprehend their character is mentally tiring. Therefore we adhere, as though to a raft, to those ideas which represent our understanding. This is a prime manifestation of vested interest. For a vested interest in understanding is more preciously guarded than any other treasure. It is why men react, not infrequently with something akin to religious passion, to the defense of what they have so laboriously learned. Familiarity may breed contempt in some areas of human behavior, but in the field of social ideas it is the touchstone of acceptability.

Because familiarity is such an important test of acceptability, the acceptable ideas have great stability. They are highly predictable. It will be convenient to have a name for the ideas which are esteemed at any time for their acceptability, and it should be a term that emphasizes this predictability. I shall refer to these ideas henceforth as the Conventional Wisdom.

¹ American Federation of Labor and Congress of Industrial Organizations

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