Content Analysis of Public Debt in prescribed undergraduate South African economics textbooks

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Abstract:

In the last fifteen years, rising public debt has been one of the most critical economic concerns confronting the world economy. The IMF and the World Bank have warned of increasing risks of multiple public debt defaults. It is vital that university students studying introductory economics understand the severity of the risks that these record debt levels pose, as many economics students do not study the subject beyond the first year.

The purpose of this study was to examine how prescribed first-year economics textbooks treat public debt content. The research used a methodology of summative content analysis of three economics textbooks using a categorisation scheme to collect data.

We find that the books do not address the most recent literature on public debt, notably arguments on the link between debt and economic growth or inflation. Moreover, the research indicated that the three texts convey public debt in very different ways; for example, one textbook completely dismisses any public debt concerns in a very short section dedicated to the topic. Another text uses detailed illustrations and provides context that assists students in understanding events that contribute to rising public debt levels.

This study recommends that we include more historical examples, use more graphs to illustrate the data, and offer differing views to the mainstreams on public debt, including those raised by scholars and by multilateral institutions.

Keywords: public debt; South Africa; economics textbook; content analysis

INTRODUCTION

Rising public debt is one of the most significant economic issues that the globalised international economy has been facing over the past fifteen years. Rising inflation and "dangerous", record public debt levels are the most important risks that the global economy faces right now, caused by excessively loose monetary and fiscal policy (Deghi, et al. 2022). The World Bank further projects that these challenging economic conditions will lead to many emerging market economies and developing countries suffering from debt distress and that there are significant threats of debt defaults (World Bank, 2022); these claims are supported by Badia et al. (2022). The International Monetary Fund (IMF) recommends that efforts to reduce public debts through decreased government spending should be coupled with measures to alleviate the economic hardships experienced by the vulnerable, such as grants and transfer payments (Deghi, et al 2022).

The ratio of public or national debt to gross domestic product (GDP) is an essential indicator of a country's fiscal status as it pertains to growth and sustainability. Sustainable public debt is that which the government is able to service in the present and in the future "without exceptional financial assistance or going into default" (Hakura, 2020). Public debt is one metric used to assess a country's creditworthiness by credit ratings agencies, and unfavorable ratings increase borrowing costs.

The major economies in the world have debt to GDP levels that resemble those expected during war times, and these large debt levels are not without risk. Argentina has had multiple debt crises over the past 20 years, defaulting twice, most recently in 2020 (ECB, 2021). Sri Lanka has experienced serious political unrest and violence, rapidly rising inflation of over 70 percent, and fuel and foreign currency shortages amidst a foreign debt default that occurred in the middle of 2022 (Kugelman, 2022). Middle and low-income earners and the poor suffer the most from these debt crises. Citizen concerns about debt are also widespread in the major western economies, and many wealthier European countries are strongly opposed to provide debt relief to their southern Eurozone member states that are struggling to service their debts (Baccaro, et al., 2022).

South Africa has a long history of public debt traceable to the periods of global economic recessions and debt crises, as depicted in Figure 1 below. The most recent phase of rising public debt began in the late 2000s, when there was a significant rise in the country's debt-to-GDP ratio from 26.02% in 2008 to 80.3% in 2020/21 (SARBa, 2022). This has been largely the result of reduced tax revenues and increased government spending in the aftermath of the 2007/08 GFC, domestic economic stagnation and the introduction of new government debt instruments and high borrowing costs (National Treasury, 2020a). Inefficiencies in the public sector as state-owned enterprises are in fiscal distress, frequently requiring bailouts from the National Treasury despite public opposition (Chetty, 2022). COVID-19 triggered unprecedented fiscal policy responses by governments, with the outcome being these record debt levels (National Treasury, 2020b). South Africa exceeded its spending cap to support the ailing economy during the pandemic, and the debt-to-GDP ratio in 2020 increased to 70.7% (see Figure 1 below), where it stabilised (SARBa, 2022).

Furthermore, in light of the South African Reserve Bank's 2021/22 interest rate hikes, the government is under increased pressure to finance future interest payments. Government revenue is increasingly servicing debt payments rather than funding social service programs.

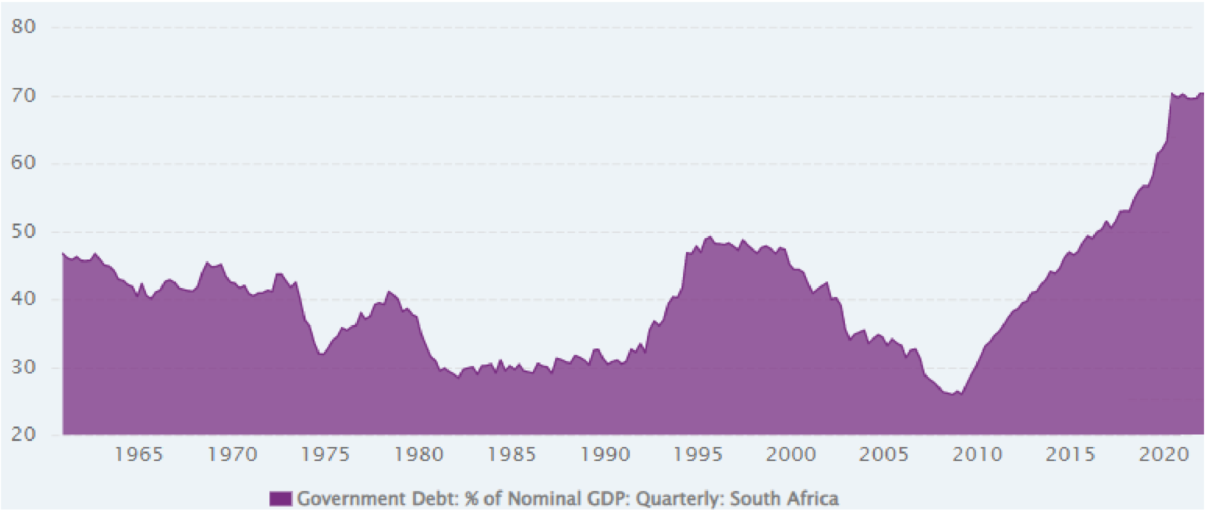

Figure 1: Government debt as a percentage of GDP in South Africa (1960-2022)

Source: CEIC (2022)

In our experience, introductory economics modules are usually challenging for many learners, as they struggle to understand and critically analyse the content. Economic illiteracy limits people's ability to understand the economic dimensions of the complex problems they encounter in their everyday lives (Modig, 2021). It is important that we prepare highly employable students adequately to engage in policy discourse informed by critical thinking rather than teaching students to pass assessments.

The use of content analysis in economics has become increasingly popular in recent years. In this study, we use context analysis methodology to analyse how introductory South African economics textbooks present public debt content (perspectives and positions taken), the depth of their analysis, their reflection on economic history and the applicability of their content for the 21st century economy.

We find that the books do not address the most recent literature on public debt, notably arguments on the link between debt and economic growth or inflation. Moreover, the three texts convey public debt in very different ways; for example, one textbook dismisses any public debt concerns in a very short section dedicated to the topic. Another text uses detailed illustrations and provides context that assists students in understanding events that contribute to rising public debt levels. Generally, the amount of space allocated in all three books to discussing public debt pales in comparison to the several chapters in each that teach complex theoretical Keynesian equations, models and graphs.

Our work adds to the literature on economics content analysis that includes work by Green (2012), Marri et al. (2012), Ramdhani and Maistry (2020), Jones (2022) and Friebel-Piechotta (2022). These studies find that texts generally do not treat the topics reviewed in a rigorous and balanced manner. The texts do not give much space to dissenting views from the mainstream narrative

We have three research questions (RQ) that we answer related to public debt.

RQ1) To what extent is public debt presented in first-year economics textbooks? (Amount of text/space dedicated, use of graphs and practical examples and critiques of theories and models)

RQ2) To what extent do the textbooks reflect on economic history and present-day economic events?

RQ3) To what extent do the texts refer to the latest literature to offer opposing views to mainstream on public debt?

Role of textbooks

Textbooks are not objective sources of knowledge; rather, they contain content that can be questioned and reflects the power imbalances and assumed beliefs of the culture from which they emerged (Moreau, 2010). Some theories are popularised not because of their applicability and suitability for different contexts but because the author publicised them. Mankiw (2019) argues that “the instructor in an introductory course (and intermediate courses) should faithfully represent the views shared by the majority of professional economists”. We respectfully disagree with that perspective on two grounds.

First, many students register for introductory economics courses and do not proceed to intermediate or advanced economics courses, especially if the subject is not their major. Therefore, they may graduate unaware of opposing views to certain theories and policies in their textbooks and what these may be. They may also be ignorant of some of the consequences or trade-offs associated with the policies, discouraging critical thinking and analysis that can occur at an introductory level disadvantaging students when they enter the marketplace.

Second, related to the first grounds, simply presenting the majority consensus also encourages 'groupthink', a "phenomenon that occurs when group's need for consensus supersedes the judgment of individual group members" (Techtarget, 2022). Introduction economics students may also benefit from a brief discussion of alternative or dissenting perspectives to the mainstream narrative on public debt.

We believe that our contribution in this paper is also toward a pluralist approach in economics that is increasingly becoming popular in scholarship. This approach seeks to offer multiple perspectives (models, methodologies, principles) when dealing with economics issues instead of "drilling them in a specific manner of thinking about it" (Hedke, 2021; de Muijnck and Tieleman, 2021). We are not the first to consider these questions, but to our knowledge, ours is the first to question messaging around public debt in South African economic texts.

Brief overview of the latest debates around public debt

There is no consensus in the literature on whether high public debt levels are beneficial for economies. Some scholars find that public debt benefits economic growth. For example, according to Amdeo (2021), in the short run, public debt is a good way for countries to obtain additional funds to invest in their economic growth. Lin and Zhu (2019) report similar results. The efficient use of debt could lead to improved economic growth and a better standard of living for the populace (Yusuf & Mohd, 2021). This is the case when debt is managed effectively to generate sufficient resources to service and repay such debt at maturity (Dunayev 2013).

Other scholars find an inverse link between public debt and economic growth (Dey & Tareque, 2020; Faria-E-Castro, 2018). If not managed correctly, increasing public debt to unsustainable levels can hinder economic growth (Hilton, 2021). Hilton argues that unsustainable public debt reduces a country's competitiveness, making its financial markets more vulnerable to global shocks that hinder economic growth. There is empirical support for the hypothesis that public debt causes economic stagnation. This hypothesis posits that public debt crowds out private investment due to the high cost of capital and consequently strikes economic growth (Kobayashi and Shirai, 2017).

Interestingly, Furman & Summers (2019) argue for a middle ground, as they state that in modern times with record low interest rates, governments need not attempt to reduce public debts or increase them further. "However, they should ensure that new spending and tax cuts do not add to debt…at least for the foreseeable future…..and stop the policy trend of the last two years, which will otherwise continue to pile up debt" (Furman &Summers, 2019). Furman and Summers are Harvard professors and former long-serving United States cabinet officials whose views are very influential. Our objection to such policies is that they assume that the record low interest rates of 2019-2021 would continue for a long time. However, many developed and developing economies have reversed course since late 2021 and are aggressively raising interest rates in efforts to tame surging inflation levels (ECB, 2022; SARBb, 2022). Rising interest rates increase the financials that we explained in the introduction.

High debt levels exacerbate inflation bias (Leeper et al 2021), and countries should be wary of allowing public debt ratios to rise above 50-60 percent of GDP as fiscal solvency wanes (Debrun et al 2019). Large public debt raises interest rates, extrudes private investments, worsens fixed balance and widens short-term fluctuation (Mareček,& Machová 2017). Public debt becomes unsustaible when debt service payments exceed GDP growth, resulting in bankruptcy or default (Dunayev, 2013). If growth equals or exceeds the annual budget deficits as a percentage of GDP, meaning that the debt to GDP ratio would generally remain constant or fall, then the budget is considered sustainable (Levit, 2011). There is no level of debt that is universally regarded as optimal; some budget reform proposals recommend maintaining the debt to GDP ratio at 60% or less going forwards (Levit, 2011).

CONCEPTUAL FRAMEWORK

Textbook analysis is based on the goal of evaluating the quality or suitability of content. We use summative content analysis as the methodology to answer our research questions. Krippendorff (2019: 24) defines content analysis as “a research technique for making replicable and valid inferences from texts (or other meaningful matter) to the contexts of their use”. The goals and methods of content analysis are best understood by using a conceptual framework to guide our thinking about our research questions. We use the framework provided by Krippendorff (2019), and it contains several elements given below:

- Text used for the content analysis
- Research question/s that will be answered by the analysis of the text
- The context through which the analysis will occur
- Analytical framework that operationalises what we know about the context of the text
  Inferences that are meant to address the study's central research question, and
- Validating evidence, which is the rationalisation of the content analysis

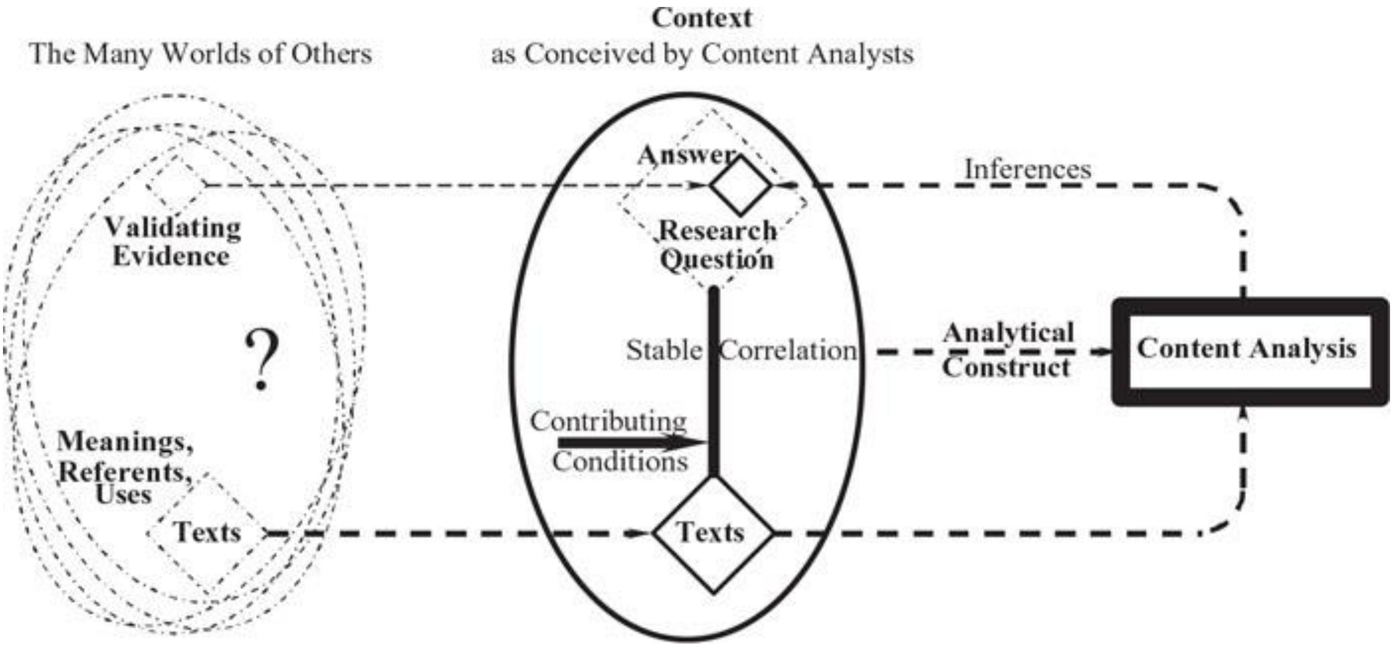

Figure 1: A Framework for Content Analysis

Source: Krippendorff (2019: 38-9).

METHODOLOGY

Following Schreier (2019), some steps must be followed: determining research questions, identifying a sample for analysis (in our case, the topics selected for analysis), establishing the categories to be used to analyse the information (coding) and ensuring trustworthiness (being consistent, exhaustive and systematic) in the data analysis. Next, we identify key words or terms in the text and then record the number of pages in each textbook that each of the chosen topics is mentioned. Second, we coded key themes and concepts that we would search for within the text. Next, we perform a latent content analysis in which we interpret the content to understand its meaning and context. Fourth, we systematically identified similarities and differences in the ways that content is treated in each textbook and compared it to what the most recent scholarship says about the topics. Finally, we offer suggestions on how the content can be enhanced. We believe that our approach is transparent and reliable, as it can be reproduced by other scholars should they wish to.

Data collection

We adapted the 21-item protocol used by (Marri, et al 2012) and used it to record the manner in which the three selected textbooks cover the national debt. The protocol allows us to gather detailed information that we used to compare how these topics are addressed by the texts. The criteria for textbook selection were as follows: (a) prescribed textbook used by public and private universities to teach Economics 1A/B in South African universities and (b) latest version of the available text. Table 1 provides details of the textbooks that we reviewed, and Table 2 shows the category scheme and the questions used to analyse the textbooks.

Table 1: Reviewed textbooks

Title	**Authors**	**ISBN**	**Publisher**	**Year**
A) Economics: A Southern African Context 3rd Edition eBook	Jan Janse Van Rensburg, Campbell R. McConnell, Stanley L. Brue, Sean Masaki Flynn	9781526848697	McGraw-Hill Education	2021
B) Economics for South African Students (Paperback: 6th Ed)	Philip Mohr & Associates	9780627037054	Van Schaik Publishers	2020
C) Economics Global And Southern African Perspectives: 3rd Edition	Michael Parkin et. al	9781485709176	PEARSON	2019

Table 2: Category scheme

Textbook Review Procedure 1. Does the term public debt (or a similar category) appear in the textbook and where? 2. What other terms are used in the text that are related to public debt? (e.g., national budget, budget deficit, borrowing) 3. What topics are included as directly related to public debt? 4. How, if at all, are grounded/real world examples used to describe national debt? 5. How, if at all, does the text characterise the political dimensions of national debt? 6. How does the text address criticisms of public debt levels if at all? 7. How does the text use economic history in explaining how public debt has evolved in South Africa and internationally? 8. To what extent are graphs/tables/story boxes used to accentuate content?

RESULTS AND DISCUSSION

TEXTBOOK 1:

RQ1)

Van Rensburg et al. allocate only pgs. 400-401 and a few brief paragraphs of space in the whole book to deficits and the national debt. The authors define public debt as "the total accumulation of the deficits (minus the surpluses) the government has incurred over time" (pp. 400), a definition similar to that presented in all three texts.

Van Rensburg et al further stated that "these deficits have emerged mainly because of expansionary fiscal policy objectives". That is unclear, as it does not provide further information on how expansionary fiscal policy and debt levels. The authors also state that smaller budget deficits and surpluses reduce debt to GDP ratios. The policy prescription offered by the authors for public debt levels is simple – if a country reduces the size of its budget deficits, this will reduce the debt-to-GDP ratio. We believe that this prescription should come with some caveats; for example, austerity measures are very unpopular, as they worsen poverty, inequality, emigration, violence and political instability, job losses, emigration and economic stagnation, among other things. Portugal, Italy, Ireland, Greece and Spain ('PIIGS' countries) offer examples of the austerity's harmful socioeconomic effects (Christodoulaki, 2022; Ballas and Thanis, 2022). Van Rensburg et al. do not mention any reasons why South Africa and other countries have accumulated these deficits that lead to large national debt levels in the first place as global public debts have risen dramatically internationally in the last 15 years.

Global perspective 17.1 (pp. 401) is the only figure given for public debt but it is not explained. It shows the debt to GDP ratio for several Organisation for Economic Co-operation and Development (OECD) countries, but it surprisingly excludes Japan, the country with the highest ratio in the world (though Parkin et al pp. 401 includes Japan in a figure of the most indebted countries in the world).

Under the subheading 'Bankruptcy: False concerns'**, t**he authors summarily dismiss the possibility that the debt can bankrupt the government leaving it unable to pay its creditors (pg. 401). They argue that the debt can be refinanced easily and that government can simply increase taxes on the public (a claim repeated on pg. 413). We have in an earlier section examples of debt defaults that have occurred in the past and how the IMF is currently concerned that many countries are at risk of also defaulting if they do not implement policies to reduce their debt-to-GDP ratios. Dismissing the risks of national debt is common in Modern Monetary Theory (Mankiw, 2020), which argues that national debts can be funded easily by the central bank as long as there is no upside to inflation.

The authors also explain the difference between foreign and domestically owned debt, highlighting that domestic creditors receive most of the interest due to the debt. The challenge with the section is that we are told that foreign debt is 7.5% of GDP and 55.8% of GDP, but if we add those, they do not add up to 100%. This difference is not explained, and the reader is left uncertain about who owns the rest of the debt. The authors do not address one important implication of large interest payments - that is, the crowding out spending on social services or income redistribution efforts.

RQ2)

The authors do not offer much in terms of historical debt analysis. Table 17.1 presents the national debt in five yearly intervals (1990-2020) as a percentage of GDP. Ideally the information in this table would have started a few decades earlier (as do the other two texts that are discussed next) with an explanation of major political and economic events of the time. For example, the discussion could include major fiscal policy decisions that the apartheid government made that affected public debt as well as external factors that may have increased it. The 1970s and 1980s were a very tumultuous period socially and economically in South Africa, as the country was under economic sanctions leading to some extraordinary fiscal policy-making decisions. None of the other texts explores these issues either, but Van Rensburg's reflects on economic history the least.

The authors show us that government debt was reduced substantially between 2000 and 2009, but they do not explain why. This reduction in debt to GDP occurred under the administration of President Mbeki. It would be useful to explain the reasons why that administration was able to reduce the debt to GDP so successfully while the economy grew at record levels as this would give more context to the discussion and show the relationship between the debt reduction and economic growth. The authors further show how public debt has doubled between 2010 and 2020 but do not elaborate on the reasons for this. Most of this period under President Zuma's administration was very controversial (state capture, corruption, poor management of unviable SOEs) (Ngotana, 2021). Cooray & Schneider (2017) studied the relationship between corruption and public debt in 106 countries, and the results suggest that corruption leads to an increase in public debt. However, this entire context is absent from the three textbooks.

RQ3)

Van Rensburg et al. do not engage the latest research on public debt.

TEXTBOOK 2:

RQ1)

Mohr et al. identifies the budget as the main instrument of fiscal policy and, similar to Parkin et al., details the timelines and process of drawing up the budget, its importance and the political considerations that influence its composition (pg. 323). On that same page the authors state that privatisation of state-owned assets can be used to lower the size of public debt. We believe that those views should be nuanced with a brief mention of the downsides of privatisation of SOEs – the literature is not settled on this issue. Privatisation has often been presented as a viable solution for debt-distressed African countries, and public–private partnerships (PPPs) and private equity investment have been advocated because they create fiscal room (Zajontz, 2022). The optimistic views conceal the fact that privatisation is used by the elites for financial extraction in countries in the global South and that governments usually fail to negotiate beneficial terms for the public in the sale of state-owned enterprises (Zajontz, 2022). A more cautious and nuanced evaluation of privatisation is needed, and private ownership alone is no longer argued to automatically generate economic gains in developing economies (Estrin & Pelletier, 2018). SOEs perform as well as private firms in core sectors when corruption is low and governance reforms can generate significant performance gains (Baum et al 2019).

Mohr et al. dedicate the least amount of space of all three texts to budget deficits and public debt (half a page on pp. 326 of which the public debt discussion makes up three paragraphs).

RQ2)

In a one and half page section on government spending (pp. 324-325) Mohr et al. discuss government spending as a percentage of gross domestic expenditure (GDE) (theirs is the only text that uses this measure of spending). The authors present a table showing these two variables for the years 1960 to 2018 and give a balanced account of the reasons/factors that drove the trends that we see (including changing consumer preferences, political shocks and redistribution of income).

Unlike the other two books, Mohr highlights how treasuries can also borrow from the central bank. Interestingly, the authors highlight that borrowing from the central bank is "potentially inflationary and is avoided as far as possible". It would be useful to also mention that this type of borrowing is of a short term nature as the text does not raise this. None of the texts discuss another way that governments borrow from the central bank, and this is of a long-term nature – that is, central bank buying of government debt in the form of bonds. This type of financing is increasingly popular and is a risk to financial stability. For example, the IMF (2022) details how central bank holdings of government debt are at record levels (15-year highs) in emerging markets with central bank holdings of government debt as a percentage of their assets, at a record 17 percent in 2021. Regarding the visual presentation of data, there are no graphs at all related to budget deficits or the public debt in this textbook.

Mohr et al. explain how budget deficits in the 1990s drove rising national debt levels in South Africa. The authors detail how interest payments divert funds from other programmes that the government could have implemented, such as spending on social services. They also refer to South African economic history to show how the budget deficit was always greater than government investment spending and that borrowing was also done to pay interest payments. However, no reference has been made to current South African or international public debt levels or their rising levels in recent years. We are not told what the debt is mainly comprised of either nor is any reference made to the GFC and the debt crises of the past decade.

In the three paragraphs on public debt, the authors explain how in the 1980s and 1990s, the budget deficit was always greater than government investment spending and that borrowing increased to pay for current spending and interest payments. They also highlight how borrowing to fund current spending "cannot be justified on economic grounds, as it means that future generations will have to pay for the consumption paid by the current generation".

RQ3)

Mohr et al. do not address the latest literature on public debt.

TEXTBOOK 3:

RQ1)

Parkin et al. dedicates by far the greatest amount of text to deficits and public debt of all three books. They split discussions of deficits and public debts into two sections (pp. 482 to 486 and again from pp. 727 to 731). It is not clear why this is the case as it is confusing to the reader. However, of the three texts, Parkin offers the best treatment of public debt for several reasons that we will discuss below.

For example, Figure 21.5a shows the budget deficit/surplus as a percentage of GDP and is plotted with data spanning the period 1965 to 2015. The figure contains text box inserts that depict economic shocks, political events, deficits and surpluses. All of the figures that we analysed in this book are presented with these small text boxes, which help students understand fluctuations and movements in the variables and the macroeconomic relationships that are illustrated. Figure 21.5b covers a similar period as Figure 21.5a but its presence in the text is confusing; the authors show the current account graph next to the budget deficit graph but doesn't explain how the two are linked if they are at all.

Under a subheading titled 'deficits bring debts' on pp. 483, Parkin et al. use a practical and simplified example about personal credit cards before explaining national debt. However, the section titled on pp. 484, 'why deficits and debts matter' does not actually address the topic. All we are told is that "a nation that borrows to increase its consumption might be heading for trouble later. However, a government that borrows to buy assets that earn a profit might be making a sound investment." Parkin et al. have tried to simplify these concepts so that students can better understand, especially since the authors illustrate borrowing for consumption with the example of an individual who borrows to go on holiday.

No discussion is provided about the sustainability of the debt or the levels of debt. At what levels of debt would a country be "heading for trouble later?" These discussions could be provided in a general sense and for South Africa as there is literature that addresses the question of sustainability of South Africa's debt (Burger and Calitz, 2021).

RQ2)

Page 486 of Parkin has a figure showing how OECD countries' debt to GDP ratios have risen from 2005 to 2016. The text attributes decrease in tax receipts as the main reason why these countries' debt to GDP ratios increase – tax receipts fall when economic conditions are weak. Parkin et al. (as does Mohr at. Al as discussed above) says on pp. 486 that "the increase in debt is a serious concern for governments, since they also have to pay interest on the debt", concerns that the IMF raised, as we discussed in an earlier section. The text also explains how a debt trap occurs when government debt rises faster than economic growth and most tax is going to pay interest. Here, Parkin et al. differs from Van Rensburg et al., who tells us not to worry about rising debt.

In a separate chapter titled 'Fiscal Policy (pp. 727 to 731), the textbook begins with an explanation of the South African national debt in 2019 and tells us what each South African's share of the national debt is (as of 2019 = R48 835). The section states that it will ask several questions about the economic impact of the debt (including whether rising debts slow economic growth), whether budget deficits 'matter' and whether or not public debt is a burden for future generations. However, none of these are answered, as the section only addresses changes in expenditure and budget deficits and surpluses since the 1990s.

Figure 21.6a shows South African total government debt as a percentage of GDP (similar to Van Rensburg). Parkin makes reference to economic history by explaining the effect of sanctions and the debt standoff that South Africa had with international creditors in 1985 and explains what happened to the S. After sanctions, an economy was lifted in the early 1990s. The text beneath the graph mentions how fiscal discipline in the mid-1990s to mid-2000s helped to reduce S. A government debt substantially. However, Parkin does not explain the role of South African corruption, poor administration, or SOEs in contributing to South Africa's debt-to-GDP increase, with the country's rising debt-to-GDP ratio attributed to falling tax collections and tough economic conditions.

Parkin defines the National Budget along with related institutions and explains the roles of parliament and Treasury in formulating fiscal policy. It is a detailed and practical explanation of the processes and timeline of the national budget, the Medium Term Budget Policy Statement and its purpose. In Figure 31.2, Parkin shows the budget deficits and surpluses from 1994 to 2015, explaining why the budget decreased in size from 1994. In Figure 31.3a and Figure 31.3b – Parkin et al. provides further detail into the historical perspective of South Africa's budget.

RQ3)

On pp. 485, the text presents excerpts from an article by Alesina et al. (2018) titled 'Climbing out of debt' as a case study that details the GFC of the 2010s and how international debt levels rose thereafter. The case study also mentions options to reduce debt-to-GDP ratios and offers an alternative view to Keynesianism on how the impact of cutting spending and policy prescriptions on reducing debt. Keynesianism holds that "spending cuts are more recessionary than tax increases. In contrast, our study confirms that expenditure-based plans generally were less harmful to growth than tax-based plans." The main finding of Alesina et al. is that reducing expenditure is preferred to tax increases as a means of reducing debt because the former has "almost no effect on output" compared to tax increases that shrink GDP. This type of content is welcomed as it provides an alternative view to Keynesian prescriptions that call for increased spending to get an economy out of recession and then raise taxes to generate more revenue.

Main themes from this study

1. All three texts present public debt in vastly different ways. Van Rensburg et al. dismisses any concerns around rapidly rising debt levels, while Mohr et al. and Parkin et al. warn that governments need to give this issue much attention. Parkin et al. uses the most examples, offers the richest illustrations (several of these) and dedicates the most space in the text to public debt. Mohr et al. dedicates the least text to the discussion of public debt, has no graphs that depict debt levels nor uses any measure of debt (such as debt in absolute terms or as a ratio of GDP for example – Parkin et al.

and Van Rensburg et al. provide these). Van Rensburg provides one graph on debt but does not explain it.

2. The texts generally do not address the latest literature on public debt, particularly debates on the relationship between debt and economic growth or inflation. Although the editions of these books were published between 2019 and 2021, when global inflation rates were much lower than they are in 2022, several scholars were warning about the risks of debt-driven inflation as far back as during the GFC between 2007 and 2012 (e.g., Cochrane, 2011, Davig & Leeper 2011, Nersisyan and Wray, 2010). Recent scholarship on these topics was discussed in the literature review. Similarly, content on debt crises of the 2010s is absent from the texts, and the literature on the risks of South Africa and the world economy potentially facing these again in the near future is rich, but the texts do not mention these at all. None of the texts discussed the role of CRAs in influencing interest rates on debt.

CONCLUSION AND RECOMMENDATIONS

Textbooks are valuable to the teaching and learning process as they increase the knowledge students receive, leading to greater levels of academic achievement and performance. There are risks to the stability of the global financial system that have been raised by multilateral institutions, and these are not given attention in the economic textbooks. We conclude that economics textbooks' treatment of public debt is subjective. Sections on public debt that we reviewed often included debatable content lacking critiques and balanced analysis. Much of this content is not contextualised nor is it illustrated in a visually appealing manner.

This study recommends that sections relating to public debt in economics textbooks used in the first year of study at South African universities include more historical examples, use more graphs to illustrate data and offer differing views to mainstream ones on public debt. The main causes of what is driving South African public debt deserve attention to give a more holistic picture of the debt. We also recommend that texts address the role of CR agencies in international finance. Finally, the importance of good governance of public funds should be emphasised, as South African economic development has been paralysed in part by mismanagement and oversight shortcomings in the public sector.

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