

THE *Ultimate Resource*



featuring
Hernando de Soto
President of the Institute for
Liberty and Democracy

EUSEBIO'S DREAM



The Ultimate Resource: Eusebio's Dream

Teacher's Guide

This Teacher's Guide includes the following:

- Suggested Lesson Plan
- Preview Questions and Key Terms
- Viewing Guide
- Comprehension Questions
- Discussion Questions
- Quiz
- Activity: Who Chooses?
- Enrichment Activities
- Answer Key

Suggested Lesson Plan

These materials may be used in a variety of ways. For maximum benefit, we suggest the following lesson plan:

- As a class, discuss the Preview Questions and Key Terms.
- Distribute copies of the Viewing Guide for students to use as a note-taking tool during the video.
- Play the video, pausing if needed to facilitate understanding and note-taking.
- Review and discuss answers to the Viewing Guide using the Answer Key as a guide.
- Working individually or in small groups, answer the Comprehension Questions. Check using the Answer Key.
- Use Discussion Questions to spark class discussion, or assign these questions as homework.
- Replay the video as preparation for the Quiz.
- Administer and grade the Quiz using the Answer Key as a guide.
- As a class or in small groups, complete the Who Chooses Activity.
- Optional: Assign one or more of the Enrichment Activities as homework.

The Ultimate Resource: Eusebio's Dream

Preview Questions

(These are meant to be read aloud by the teacher. Answers to selected questions are provided in italics.)

1. Locate Peru on a map. Which ancient empire had its capital here? *Inca*
2. How do you think the descendants of the Incas live today?
3. What is subsistence farming?
4. What are property rights?

Property rights are the rights to use, control, and obtain the benefits from a good or service.

5. Do you own a car, computer, or iPod? As an owner, what rights do you have? Other than using it whenever you choose, what else can you do with your property that others cannot?

Private property rights are property rights that are exclusively held by an owner and protected against invasion by others. Private property can be transferred, sold, or mortgaged at the owner's discretion.

6. In the United States, with property like cars, houses, and land, how do we know who owns what? How do we prove ownership?
7. Other than selling their property, how else can people use their property to get ahead?

Key Terms and Definitions

Assets – total resources of a person or business, as cash, notes and accounts receivable, securities, inventories, goodwill, fixtures, machinery, or real estate

Indigenous – originating and living or occurring naturally in an area or environment; native

Rule of law – the principle that every member of a society, even a ruler, must follow the law; a legal system in which rules are clear, well-understood, and fairly enforced, including property rights and enforcement of contracts; the doctrine that all people are equal before the law, and that the government is subject to the law; the absence of arbitrary executive power

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The Ultimate Resource: Eusebio's Dream **Viewing Guide**

1. High in the Andes lay the ruins of the historic royal retreat of the _____ Empire.
2. Eusebio Mendez Atau and his family...farm the land as did Eusebio's father and grandfather for the last _____ years.
3. Eusebio...holds no legal _____ to the land on which his livelihood depends.
4. One day a stranger from the city presented Eusebio's grandfather with a title claiming the _____ was his.
5. Since then [the time of the Conquistadors] Peruvian _____ have often dictated land ownership.
6. Eusebio rearranges stones in the mountain stream to let the _____ run through the trenches he has dug.
7. In 1969 the Peruvian government took the land from the large property _____ [and] ...established cooperatives.
8. Two thirds of the world's population are locked out of the _____ system—four billion people...
9. The Institute for Liberty and Democracy...fights for _____ and the rule of law.
10. What you need to participate in the capitalist game are _____.
11. Without legal title he (Eusebio) cannot get a loan...cannot _____ to educate his children or improve his home...cannot benefit from the sale of the property.
12. The government has made it possible for _____ to get title to the land.

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The Ultimate Resource: Eusebio's Dream **Comprehension Questions, page 1**

1. How long has Eusebio's family been farming the same plot of land?
2. Although Eusebio's family depended upon the land for their livelihood, what important legal document were they lacking?
3. Over the centuries, the sacred valley of the Incas has had many owners. Who conquered the land in the 16th century?
4. For centuries, who has dictated land ownership in Peru?
5. What did the stranger from the city show to Eusebio's grandfather?
6. Why was life hard for Eusebio when he was young?
7. What did the Peruvian government do with the land in 1969 when it outlawed private ownership?

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The Ultimate Resource: Eusebio's Dream **Comprehension Questions, page 2**

8. What choice did Eusebio have under this new (1969) arrangement? Did the hardships end?

9. According to Hernando de Soto, how many people in the world are locked out of the capitalist system?

10. What three things does Hernando de Soto say the majority of people lack that leaves them outside the capitalist system?

11. What does de Soto say is essential for "playing the capitalist game"?

12. What do Hernando de Soto and the Institute for Liberty and Democracy fight for?

13. What is the cause for celebration in Eusebio's village at the end of the film?

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Discussion Questions

1. Why did Eusebio's family have no choice but to work the land for others?
2. Why is the land like gold to Eusebio?
3. Why do people need assets in order to "play the capitalist game"?
4. What are property rights?
5. Why is proof of ownership important?
6. What prevented Eusebio from being able to borrow against the value of his land or benefit from the sale of the land?
7. According to Hernando de Soto, two-thirds of the world's people are locked out of the capitalist system. What are they lacking? (3 things) Why is it important to make capitalism friendly to the majority who are currently outside the system?
8. What was Eusebio unable to do without legal title to his land?
9. Before they gained legal title to their land, were the villagers secure in their property? Explain.
10. Were the people better off during the time when the government did not allow private ownership of the land and the farmers worked in cooperatives? Why or why not?
11. How will having legal title enable the villagers to improve their lives? Give examples.
12. How can borrowing money help people to become better off?
13. What is the rule of law? How do property rights and the rule of law protect the least powerful in society from exploitation by the powerful?

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The Ultimate Resource: Eusebio's Dream Quiz, page 1

1. Eusebio lives in _____.
 - A) Mexico
 - B) Peru
 - C) India
 - D) Spain

2. Eusebio compares his land to _____.
 - A) a prison
 - B) a factory
 - C) gold
 - D) a child

3. Since the time of the Conquistadors, who has dictated land ownership in Eusebio's country?
 - A) the government
 - B) a few wealthy landowners
 - C) the Catholic Church
 - D) the Institute for Liberty and Democracy

4. How does Eusebio water his fields?
 - A) by praying for rain
 - B) by using the irrigation system provided by the government
 - C) by carrying buckets of water from his house
 - D) by moving rocks to redirect a nearby stream

5. Although Eusebio's family had long depended upon the land for their livelihood, what important legal document were they lacking?
 - A) driver's license
 - B) passport
 - C) title
 - D) diploma

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The Ultimate Resource: Eusebio's Dream Quiz, page 2

6. According to Hernando de Soto, how many people in the world are locked out of the capitalist system?
- A) four billion
 - B) four million
 - C) four thousand
 - D) four hundred
7. Hernando de Soto and the Institute for Liberty and Democracy help the poor by fighting for _____.
- A) property rights
 - B) the rule of law
 - C) both a and b
 - D) abolishing private ownership
8. What was the cause for the big celebration in Eusebio's village?
- A) the harvest
 - B) Easter
 - C) receiving titles
 - D) the discovery of Machu Picchu
9. When the Peruvian government did not allow private land ownership and the farmers worked in cooperatives, what happened to Eusebio?
- A) His life became much easier and happier.
 - B) His life continued to be full of hardship.
 - C) He sold his land and moved to the city.
 - D) He became a manager of the cooperative.
10. Eusebio farms land in the sacred valley of the _____ Empire.
- A) Aztec
 - B) Mayan
 - C) Spanish
 - D) Inca

The Ultimate Resource: Eusebio's Dream
Activity:
Who chooses? Who benefits? Who pays? What's fair?

[These four questions can be a useful tool for evaluating any policy or system. Posing the questions is a great way to stimulate critical thinking.]

As a class, or in small groups, discuss the following:

(For each question, think about all the possible people or groups of people who may be affected.)

- What choice did Eusebio's grandfather have when a titleholder claimed ownership of the land where he and his family had been living and farming?
- What choice did Eusebio have when the land was turned over to a cooperative in 1969?
- Who chose what would be done with the land in each case above?
- Who benefited from these arrangements?
- Who paid for improvements to the land?
- What choices does Eusebio have now that he has title to his land?
- Who benefits if Eusebio improves the land?
- Who pays for improvements to the land?
- Which ownership arrangement is most fair? Why?

The Ultimate Resource: Eusebio's Dream

Enrichment Activities, page 1

I. Essay Topics:

1. How do property rights and the rule of law ensure that no one receives special treatment from the government?
2. In what ways does the right to own property allow people to improve their lives?
3. Write a letter from Eusebio to an elected official about the importance of property rights.
4. In general, it is ownership that gives people the incentive to maintain or improve property. Why do you think Eusebio and the other villagers tended the land even though they had no official property rights?
5. In developed countries such as the United States, property rights are exchanged by buying and selling. How and why is the process different in undeveloped countries? Compare the establishment of property rights in Peru to the settling of the American West under the Homestead Act.
6. What are some limitations on property rights here in the United States? How do these restrictions affect owners?

II. Report:

Research and write a report about the work of the Institute for Liberty and Democracy.

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Enrichment Activities, page 2

III. [Win-Win](#), the Trading Game:

This game is a fun and effective way to help students understand the dynamics of markets and the importance of well-defined and enforceable property rights. A demo video of this game is available from izzit.org. Through this activity, the students can experience firsthand the incentives and results of different “rules of the game.”

The game involves students in a trading simulation designed to illustrate a complex marketplace in which goods and services are traded. Students use this experience to investigate the conditions that encourage or discourage trade among individuals.

After playing the standard version of the game, to highlight the concepts presented in *Eusebio's Dream*, play a variation of this game that demonstrates the importance of property rights. People can have incomplete property rights (e.g., can only trade with a member of the same sex). A few people can have tenuous rights (they are identified as having rights that are only enforced for the first three minutes). The teacher knows who these people are and can take their goods at any time after the first 3 minutes. See how these people make trades differently than those who have complete and enforced rights.

The Ultimate Resource: Eusebio's Dream **Viewing Guide Answer Key**

1. Inca
2. 100
3. title
4. land
5. governments
6. water
7. owners
8. capitalist
9. property rights
10. assets
11. borrow
12. individuals

Comprehension Questions Answer Key

1. 100 years
2. title
3. Spanish Conquistadors (Spanish or Conquistadors also acceptable)
4. government
5. title
6. In order to stay on the land, he had to work for others. He worked hard but earned little.
7. turned it over to cooperatives
8. Work for the cooperative or move off the land. The hardships did not end.
9. two-thirds of the world's people, or 4 billion people
10. legal means of identification; legal business association; property rights
11. assets
12. property rights and the rule of law
13. The villagers have each received legal title to their land.

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Quiz Answer Key

1. B) Peru
2. C) gold
3. A) government
4. D) by moving rocks to redirect a nearby stream
5. C) title
6. A) four billion
7. C) both a and b
8. C) receiving titles
9. B) His life continued to be full of hardship.
10. D) Inca

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