

THE *Ultimate Resource*



featuring  
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Swedish Author & Scholar

*f*REEDOM'S  
SOUND



# *The Ultimate Resource: Freedom's Sound* **Teacher's Guide**

*This Teacher's Guide includes the following:*

- Suggested Lesson Plan
- Preview Questions
- Key Terms
- Viewing Guide
- Discussion Questions
- Quiz
- Enrichment Activities
- Answer Key

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## **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.
- 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.
- Optional: Assign one or more of the Enrichment Activities.

# ***The Ultimate Resource: Freedom's Sound***

## **Preview Questions**

(These questions are meant to be read aloud by the teacher.)

1. What is freedom?
2. What do you think of when you hear the title, "Freedom's Sound"?
3. What do you know about the country of Estonia? (Locate Estonia on a map or globe.)
4. How can a small country participate in globalization?

# *The Ultimate Resource: Freedom's Sound*

## **Key Terms and Definitions**

1. Soviet Union (Union of Soviet Socialist Republics) – Following the Communist Revolution led by Vladimir Lenin in 1917, Russia merged with the Ukrainian, Belorussian, and Transcaucasian republics to form the Soviet Union. During World War II the Soviet Union took control of the Baltic Republics, including Estonia. In 1991 a number of constituent republics declared their independence, and the USSR was officially dissolved on December 31, 1991.
2. Communism/Socialism/Central Planning – a system of economic organization in which the ownership and control of the basic means of production rest with the state, and resource allocation is determined by centralized (government) planning rather than market forces.
3. Market Economy/Free Markets – a method of organization in which private parties make their own plans and decisions with the guidance of unregulated market prices. The basic economic questions of consumption, production, and distribution are answered through these decentralized decisions.
4. Innovation – the introduction and adoption of a new product or process; the economic application of inventions and marketing techniques.
5. Entrepreneur – a person who innovates and decides which projects to undertake. A successful entrepreneur's actions will increase the value of resources and expand the size of the economic pie.
6. Protectionism – the advocacy, system, or theory of protecting domestic producers by impeding or limiting, as by tariffs or quotas, the importation of foreign goods and services.
7. Tariff – a tax levied on goods imported into a country.
8. Inflation – a continuing rise in the general level of prices of goods and services; the purchasing power of the monetary unit, such as the dollar, declines when inflation is present.
9. Free Trade – trade between nations without protective tariffs or quotas.
10. Democracy – government by the people, exercised either directly, or through elected representatives; majority rule.
11. Incentive – something that motivates an individual to perform an action or exert greater effort

Name: \_\_\_\_\_

Date: \_\_\_\_\_

## ***The Ultimate Resource: Freedom's Sound*** **Viewing Guide, page 1**

1. \_\_\_\_\_ has been dominated by its neighbors and denied freedom for most of its history.
2. Since its independence from the Soviet Union in 1991 sweeping \_\_\_\_\_ have transformed Estonia.
3. With the right institutions—democracy, free trade, free markets—suddenly people had the opportunity to \_\_\_\_\_ their lives.
4. The Estonia \_\_\_\_\_ is now producing an instrument that rivals the finest pianos on the market.
5. People everywhere are \_\_\_\_\_.
6. For 50 years Estonia was ruled by the \_\_\_\_\_.
7. “Just to buy an \_\_\_\_\_ you had to know someone, get it through a back door.”

Name: \_\_\_\_\_

Date: \_\_\_\_\_

## ***The Ultimate Resource: Freedom's Sound*** **Viewing Guide, page 2**

8. For a company here in Estonia before the reforms, they were stuck in a  
\_\_\_\_\_.
9. For forty years they had built pianos exclusively for the state....There was no  
\_\_\_\_\_, no incentive.
10. \_\_\_\_\_ dropped from 500 pianos a year to a low of 49 in 1994.
11. Indrek Laul bought as much \_\_\_\_\_ as he could. In 2003 he gained controlling  
interest in the troubled company.
12. Today the Estonia Piano \_\_\_\_\_ from the finest quality imports and techniques  
from around the world.
13. Estonia Pianos are now sold \_\_\_\_\_ and rank close to  
Steinway in quality at about half the price.
14. We can clearly see that a great benefit of free trade is cheaper goods...but we often forget that the  
\_\_\_\_\_ also gain so much.

## *The Ultimate Resource: Freedom's Sound*

### **Discussion Questions**

1. Describe what life was like for Estonians during the years of Communist rule.
2. Describe the economic conditions faced by the Estonia Piano Company during the years of Communist rule.
3. “Just to buy an orange, you had to know someone...” Explain.
4. What are bread lines?
5. Who is Indrek Laul? What was his answer to the problems facing the Estonia Piano Company?
6. How did the Estonia Piano Company save itself from failure?
7. What do you think would have happened to the Estonia Piano Company if Indrek Laul had not initiated all of the changes to the product? Why?
8. What makes it possible for Estonians to buy the very best materials, improve their products, and sell them to the rest of the world? Why was this impossible under Communism?
9. “Not only consumers, but also workers benefit from free trade.” Explain.
10. How has the rest of the world benefited from Estonia’s entrance into the global marketplace?
11. What are incentives? Why was there no incentive to improve products under Communism? What was missing?
12. “Without free trade, I don’t think the Estonia Piano Company would even exist.” Explain.
13. After gaining independence, how long did it take for Estonia to transform itself from a Communist country to a democracy with free trade competing in the global marketplace? What drove the transformation?
14. Estonia now ranks very high in both freedom and competitiveness. Is Estonia achieving its goals better than other nations are achieving theirs, or does it just have different goals? Explain.
15. How does free trade lead to both higher quality products and lower prices?
16. Why does the Estonia Piano Company import many of the parts for its pianos? Why not just make all of the parts themselves?
17. Was there any guarantee that life would improve for Estonians after independence from the Soviet Union? How did free trade contribute to human freedom?
18. Did the Estonian people change when the Soviets left? What changed? What happens when people are free to make their own decisions, to take risks, to succeed, and possibly to fail?

Name: \_\_\_\_\_

Date: \_\_\_\_\_

## *The Ultimate Resource: Freedom's Sound* **Quiz**

### **True or False**

1. \_\_\_\_\_ Estonia has a long history of independence.
2. \_\_\_\_\_ As soon as Soviet rule ended, the Estonia Piano Company immediately became a successful, globally competitive company.
3. \_\_\_\_\_ Indrek Laul was appointed by the Estonian government to run the Estonia Piano Company.

### **Multiple Choice**

4. Which of the following does not describe Estonia prior to independence from the USSR?  
A) Communism B) Entrepreneurship C) Price Controls D) Planned Economy
5. Which of the following does not describe Estonia after independence from the USSR?  
A) Free Trade B) Competition C) Democracy D) Central Control of Production

### **Fill in the Blank**

6. Not only consumers, but also \_\_\_\_\_ benefit from free trade.
7. Indrek Laul, president of Estonia Piano Company, said, "Without \_\_\_\_\_ I don't think our company would even exist right now."

### **Short Answer**

8. What was Indrek Laul's one-word answer to the question of how to save the Estonia Piano Company?
9. According to Johan Norberg, with the right institutions (democracy, free trade, free markets) what has Estonia shown the world?

### **Essay Question**

10. Since Estonia's government does not regulate the quality or the price of pianos, what prevents the owners of the Estonia Piano Company from using inferior materials and from charging unfair prices for their pianos?



***The Ultimate Resource: Freedom's Sound***  
**Enrichment Activities, page 1**  
**Who Chooses, Who Benefits, Who Pays, and 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 scenarios:*

1. When the Estonia Piano Company made pianos for the Soviet Union—  
  
Who chose how the pianos were made, to whom they were sold, and how much they sold for?  
  
Who benefited from those decisions?  
  
What choices did consumers have when buying a piano?  
  
Who paid for the pianos?
  
2. After Indrek Laul took over the Estonia Piano Company following independence from the USSR—  
  
Who chose how the pianos were made, to whom they were sold, and how much they sold for?  
  
Who benefited from those decisions?  
  
What choices did consumers have when buying a piano?  
  
Who paid for the pianos?

How did the incentives of Soviet planners differ from the incentives Indrek Laul faced?

Under which scenario did consumers have more choice?

Which scenario do you think was fairer? Why?

## *The Ultimate Resource: Freedom's Sound* **Enrichment Activities, page 2**

### **Win-Win: A Trading Game**

[Trade is the voluntary exchange of goods and services. The decision to trade is made because two or more parties involved in the exchanges expect to gain. When one or both of the trading partners believe they can no longer gain from trading, the exchanges will stop.]

*Play Win-Win, using the instructional video from [izzit.org](http://izzit.org) (available through the [izzit.org](http://izzit.org) website).*

Win-Win is a classroom trading game that gets every student involved. Through the experience of actually trading items, students will learn important lessons about economics and trade. The real life dimension of the game—that students get to keep traded items—engages them in a way few classroom exercises can match. After they play the game, you can debrief them on their experience and share important lessons. Even the most uninterested student will be drawn into the excitement of Win-Win.

## ***The Ultimate Resource: Freedom's Sound*** **Viewing Guide Answer Key**

1. Estonia
2. Economic reforms
3. Improve
4. Piano company
5. Entrepreneurs
6. Soviet Union
7. Orange
8. Planned economy
9. Competition
10. Production
11. Stock
12. Benefits
13. Worldwide
14. Workers

## *The Ultimate Resource: Freedom's Sound*

### **Quiz Answer Key**

1. False. Estonia has been dominated by its neighbors and denied freedom throughout most of its history.
2. False. The company struggled for several years before Indrek Laul took over.
3. False. Indrek Laul purchased a controlling interest in the company.
4. B) Entrepreneurship
5. D) Central Control of Production
6. Workers
7. Free Trade
8. Quality
9. Freedom works
10. Answers should indicate an understanding of the key role of competition in a free market. Producers must compete against one another to sell their products to consumers, who take prices and quality into account when making their decisions

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