

MONKEY BUSINESS



(888) 242-0563
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Video Page



Monkey Business

Teacher's Guide

This Teacher's Guide includes the following:

- Suggested Lesson Plan
- Preview Questions
- Key Terms
- Viewing Guide
- Discussion Questions
- Activity: Who Chooses
- Quiz
- Discussion Guide for “How is Economic Freedom Measured?”
- 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 Answer Key as a guide.
- Use Discussion Questions to spark class discussion, or assign these questions as homework.
- As a class or in small groups, complete the Who Chooses Activity.
- Replay the video as preparation for the Quiz.
- Administer and grade the Quiz using Answer Key as a guide.
- View and discuss “How is Economic Freedom Measured?” using questions on page 10-12 of this guide.
- Optional: Assign one or more Enrichment Activities as homework.

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Preview Questions

1. Name a famous entrepreneur and briefly describe his/her accomplishment.
2. What traits does a successful entrepreneur need? List five.
3. What are some external barriers that can make it harder for an entrepreneur to succeed?
4. What was the Soviet Union?
5. What do you know about Slovakia? Where is it? (Have students locate Slovakia on a map.)
6. What do you think of when you hear the term “economic freedom”?
7. How does economic freedom affect people in their everyday lives?

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Key Terms and Definitions

Central planning – an economic system in which control of the basic means of production rests with the state and resource allocation is determined by government planning rather than market forces

Communism – a political and economic system in which the central government plans and controls the economy and in which a single, usually authoritarian, party holds all power

Democracy – government by the people, exercised either directly, or through elected representatives; majority rule.

Economic freedom – the right to choose how to produce, sell, and use your own work and resources, while respecting others' rights to do the same and to compete freely

Entrepreneur – a decision-maker who takes on the risk of trying innovative approaches and products and pursuing projects in the expectation of making profits

European Union – a group of European countries that participates in the world economy as one economic unit and operates under one official currency, the euro, with the goal of creating a barrier-free trade zone

Flat Tax – a system that applies the same tax rate to every taxpayer regardless of income bracket

Iron Curtain – the political, military, and ideological barrier erected by the Soviet Union after World War II to seal off itself and its dependent eastern and central European allies from open contact with the West

Market economy – an economic system in which individuals and businesses make their own plans and decisions based on the signals and information provided by markets and prices

Paternalism – the interference of a state or an individual with another person, against their will, and defended or motivated by a claim that the person interfered with will be better off or protected from harm

Pension – a private or government fund from which regular benefits are paid to a person upon his or her retirement or disability

Privatization – transfer of ownership from the government to the private sector

Regime – form of government (usually used in reference to authoritarian governments)

Social welfare state – a system in which the government undertakes the chief responsibility for providing for the social and economic security of its population

Soviet Union – a former communist country in eastern Europe and northern Asia; established in 1922; included Russia and 14 other soviet socialist republics; officially dissolved in 1991

Totalitarianism – government in which the political authority exercises absolute and centralized control over all aspects of life, the individual is subordinated to the state, and opposing political and cultural expression is suppressed

Name: _____

Date: _____

Monkey Business **Viewing Guide, page 1**

1. “If I make a _____ and if it’s not the best one, then I’m the one who’s going to suffer.”

2. From Zambia to South Korea, from Slovakia to Chile, newfound _____ is changing lives.

3. In the last _____ years, the world has created more wealth, reduced poverty more, and increased life expectancy more than in the 10,000 years before.

4. For 40 years the small country of _____ was one of several Soviet-controlled nations held behind the Iron Curtain.

5. “We weren’t able to travel abroad freely; there was no freedom of _____, very limited opportunities; it was a true dictatorship.”

6. Olga Rybarikova lived the greater part of her life under _____.

7. The [Czechoslovakian] _____ had been devastated, political corruption was widespread, and unemployment was soaring.

8. Ten years after _____ and freedom came to Slovakia, the country was still struggling.

Name: _____

Date: _____

Monkey Business **Viewing Guide, page 2**

9. In 2001, _____ was nearly 20%.
10. The Slovakian people..._____ for sweeping open market reforms.
11. Within five years, business owners had newfound access to _____...and foreign investment came into the country.
12. Slovakia's unemployment dropped to 7.5% and its standard of living _____ dramatically.
13. Katarina Rybarikova ... would bring the growing _____ brand... to Eastern Europe.
14. "We have gone through three very fundamental transformations...Most important...is the transformation from paternalism to individual _____."
15. For Katarina Rybarikova and her family economic freedom has freed the _____ spirit and brought prosperity to many others.
16. For them, economic freedom...is the power that we all desire to _____ our own lives.

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Discussion Questions

1. Can you think of some ways in which people are better off than they were 100 years ago? What are some examples of non-material improvements in the quality of life?
2. Say the average income was \$1000 (in today's dollars) in the year 1800. If it increased by 100% what would it be? If it increased by 2000% what would it be?
3. What was it like to live under communism in Czechoslovakia?
4. Why was life still hard after Czechoslovakia liberated itself from the Soviet Union in 1989? Why didn't democracy solve all of the problems?
5. Why could Slovakia no longer blame others for its problems after 1993?
6. Why did Olga Rybarikova suggest that her children leave the country even after independence?
7. List three elements of Slovakia's economic reforms.
8. What changed within five years of the reforms?
9. What happened to Slovakia's standard of living after the reforms?
10. How did the reforms encourage investment and business formation?
11. What was Katarina Rybarikova's idea for a new business?
12. Why wasn't it possible for the Rybarikova family to think of launching a business before?
13. What are the three transformations Slovakia has gone through, according to Jan Oravec? In your own words, briefly explain each.
14. Which transformation does Oravec consider to be the most important? Why?
15. What does Oravec mean by "state paternalism"? What other forms does it take besides communism?
16. Who is responsible for the success or failure of the Rybarikova family business?
17. Why should we care about economic freedom?
18. With freedom comes responsibility. If given the choice, do you think most people would prefer a situation where they have to work hard and figure out on their own how to improve their quality of life? Or would they prefer to be taken care of and told what to do by others? Explain.

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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 broadly about all the possible people or groups of people who may be affected, and remember there may be non-monetary costs and benefits.)

Under Czechoslovakia's centrally-planned economy –

- Who chose whether to start a business?
- Who decided what products would be sold, how they would be produced and by whom, and what the prices would be?
- Who bore the consequences of those choices – who benefited if the decisions turned out well and who paid the cost if they did not?

After Slovakia's economic reforms –

- Who chooses whether to start a business?
- Who decides what kind of products or services to offer and what prices to charge?
- Who bears the cost of a bad decision?
- Who benefits from a good decision?

Which scenario is fairer? Why?

Name: _____

Date: _____

Monkey Business Quiz, page 1

1. In the last _____, the world has created more wealth and reduced poverty more than in the previous 10,000 years.
 - A) 10 years
 - B) 100 years
 - C) 1000 years
 - D) 10,000 years
2. For 40 years Slovakia was one of several _____ nations behind the Iron Curtain.
 - A) European Union member
 - B) Soviet-controlled
 - C) U.S.-backed
 - D) democratic
3. After Czechoslovakia gained independence from the Soviet Union, _____.
 - A) economic conditions improved immediately
 - B) democracy was replaced by communism
 - C) there was a civil war
 - D) unemployment soared
4. Slovakia's economic reforms included _____.
 - A) a flat tax of 19% and privatization of the pension system
 - B) higher minimum wage laws and more labor regulations
 - C) a return to central planning and government ownership
 - D) higher taxes on the rich and increased government spending
5. Within five years of Slovakia's economic reforms, _____.
 - A) the people voted to repeal them
 - B) corruption increased and unemployment surged to 20%
 - C) the business climate improved and unemployment dropped to 7.5%
 - D) central planning had turned the economy around

Name: _____

Date: _____

Monkey Business Quiz, page 2

6. Which of Slovakia's fundamental transformations does Jan Oravec consider most important?
- A) economic transformation from central planning to a market economy
 - B) political transformation from totalitarianism to democracy
 - C) separation of Czechoslovakia into Slovakia and the Czech Republic
 - D) transformation from paternalism to individual responsibility
7. For Katarina Rybarikova and her family, _____ has freed the entrepreneurial spirit.
- A) democracy
 - B) communism
 - C) economic freedom
 - D) central planning
8. An economic system in which individuals and businesses make their own plans and decisions based on the signals and information provided by markets and prices is _____.
- A) a democracy
 - B) a market economy
 - C) central planning
 - D) totalitarianism
9. State paternalism can be seen in _____.
- A) communism
 - B) social welfare states
 - C) neither A nor B
 - D) both A and B
10. The average person's income increased by roughly 2000% in the past 200 years. This means someone living in the early 1800s earned about what fraction of today's average income?
- A) 1/20
 - B) 1/2
 - C) 1/2000
 - D) 1/5

How is Economic Freedom Measured?

Viewing Guide, page 1

1. The Fraser Institute has developed an objective way of measuring the _____ of a country.
2. Institutions and policies influence the opportunities that _____ have.
3. We had to collect _____ on a lot of countries, data from the World Bank, the IMF, other reputable sources.
4. You're basically looking at the kind of things that would give people _____ over their incomes, their wealth, their jobs, the freedom to start a business, to trade.
5. We take the data that is encapsulated in this idea of economic freedom and we _____ 144 countries around the world on a 0-10 scale.
6. Countries that are less free have higher rates of _____.
7. Countries that are economically more _____ grow more rapidly and achieve higher income levels.
8. The per person income of the ... highest 1/4 of the economically free countries is _____ times what the figure is for the lowest group.
9. It's not just about rising incomes overall, it's also about the _____ of the poor.
10. The most free countries have substantially _____ life expectancies, 18 years.

How is Economic Freedom Measured?

Viewing Guide, page 2

11. Economic freedom, sure it's about income, it's about growth, but it's also about the _____ of life.
12. The _____ economies in the world are Hong Kong and Singapore.
13. The _____...is not as free as what it was a few years ago.
14. Generally the economic freedom index is showing a _____ in economic freedom around the world.
15. The biggest single factor contributing to the U.S. decline is the decline in the legal structure area and protection of _____.
16. Corporate lobbyists...are not arguing for economic freedom,...they're arguing for special _____.
17. The future entrepreneur, the taxpayer and the consumer are not well organized and therefore the _____ process seldom represents them.
18. In the long run...short term fixes erode economic freedom and limit the amount of _____ in the marketplace.

How is Economic Freedom Measured?

Discussion Questions

1. Why did the Fraser Institute want to come up with an objective way of measuring economic freedom?
2. How does economic freedom relate to opportunity and control over one's life? One example is the ability to engage in trade. What are some others?
3. What have researchers learned from measuring the economic freedom of countries and comparing them?
4. How does economic freedom affect average incomes?
5. What about the poorest of the poor--who is better off, those in economically free countries or those in unfree countries?
6. Does economic freedom only matter in terms of how much stuff people have? Explain.
7. What is happening to economic freedom worldwide?
8. In what ways has economic freedom been declining in the U.S. over the last decade or so?
9. Why are property rights an important component of economic freedom?
10. How do the economists respond to the idea that economic freedom favors big business and the wealthy?
11. How does political power tend to undermine economic freedom?

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Enrichment Activities, page 1

- I. **Small Group Project:** Working as a group, come up with an idea for a new business. Create a plan for making the business happen. Write a two-minute pitch promoting your idea to investors. Present your pitch to the class. Using play money, class members choose which business to invest in.

- II. **Report:** Research the fall of the Soviet Union. How did it happen and what changed as a result? Create a timeline showing the ten most important events leading to the fall. Carefully consider which events should be included. Present your findings to the class and explain your reasoning for including each event.

- III. **Research Project:** Using the Index of Economic Freedom (see izzit.org website for link) explore the connection between economic freedom and prosperity, as measured by GDP per capita. First, click on several countries on the list to learn more detail about each, including GDP per capita. Now, create a graph. Label the horizontal axis Freedom Score, with a scale of 1-100. Label the vertical axis GDP per capita, with a scale of \$0 to \$100,000. Select ten countries and plot them on your graph by making a bar to represent each country. Use a different color for each. What does your graph show?

- IV. **Report:** What was the Cold War and what was its impact on the world? Include the American, Russian, and Middle East perspectives. How does the Cold War still affect world affairs today? Select a current world issue as an example. Create a presentation and share your findings with the class.

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Enrichment Activities, page 2

- V. Essay: Select one of the quotes below and write an essay explaining what it means and why you agree or disagree.

“Liberty means responsibility. That is why most men dread it.” – George Bernard Shaw

“Everything that is really great and inspiring is created by the individual who can labor in freedom.” – Albert Einstein

“Humanity does not care for freedom. The mass of the people realize they are not up to it: what they want is being fed, led, amused, and above everything, drilled. But they do care for the phrase.” – Joseph Schumpeter

“Happiness depends on being free, and freedom depends on being courageous.” – Thucydides

“The highest manifestation of life consists of this: that a being governs its own actions. A thing which is always subject to the direction of another is somewhat of a dead thing.” –Thomas Aquinas

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Viewing Guide Answer Key

1. decision
2. economic freedom
3. 100
4. Slovakia
5. speech
6. communism
7. economy
8. democracy
9. unemployment
10. voted
11. financing
12. increased
13. Paul Frank
14. responsibility
15. entrepreneurial
16. control

Quiz Answer Key

1. B) 100 years
2. B) Soviet-controlled
3. D) unemployment soared
4. A) a flat tax of 19% and privatization of the pension system
5. C) the business climate improved and unemployment dropped to 7.5%
6. D) transformation from paternalism to individual responsibility
7. C) economic freedom
8. B) a market economy
9. D) both A and B
10. A) 1/20

How is Economic Freedom Measured? **Viewing Guide Answer Key**

1. economic freedom
2. individuals
3. data
4. power
5. rank
6. unemployment
7. free
8. seven
9. poorest
10. higher
11. quality
12. freest
13. United States
14. rise
15. property rights
16. privileges
17. political
18. competition

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