



THE ROAD TO PROSPERITY

WITH HERNANDO DE SOTO

A PROPERTY REVOLUTION



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Video Page



The Road to Prosperity

Teacher's Guide

This Teacher's Guide includes the following:

- **Suggested Lesson Plan**
 - **Key Terms and Preview Questions**
 - **Viewing Guide/Worksheet**
 - **Key Concepts**
 - **Discussion Questions**
 - **Enrichment Activities**
 - **Discussion Questions for Japan bonus video**
 - **Answer Key**
-

Suggested Lesson Plan

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

- Read the **Preview Questions** aloud and discuss as a class.
- Define and discuss **Key Terms**.
- Distribute copies of **Viewing Guide/Worksheet** to students.
- View the DVD, pausing as needed.
- Review and discuss answers to **Viewing Guide/Worksheet**. (See **Answer Key**.)
- Discuss **Key Concepts**.
- View the DVD again without pausing.
- Use **Discussion Questions** to spark class discussion, or assign as homework.
- Optional: Assign **Enrichment Activities**.
- Optional: View and discuss Japan bonus video included on DVD.

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Preview Questions

1. What is order?
2. Why is order important?
3. What is ownership? What rights do owners have?
4. What does ownership have to do with order?
5. What is prosperity?
6. When you hear the title, “The Road to Prosperity,” what do you think of?

Key Terms

1. *Before viewing the video, define these terms (possible Think/Pair/Share activity):*
 - *Adjudication*
 - *Capital*
 - *Certification*
 - *Consensus*
 - *Custom*
 - *Economic growth*
 - *Feudalism*
 - *Genesis*
 - *Legitimate*
 - *Ownership*
 - *Prosperity*
 - *Rule of law*
 - *Squatter*
 - *Third world*

2. *During the viewing of the video*, divide up the terms with one student/small group responsible for writing down the sentence in which each term is used. (You may need to stop the DVD to give them time.) At the end of the DVD, have each student read the sentence aloud to further instill the concept by noting the use of the term in the specific context.

3. *Post-viewing extension*: Have each student or small group write an original sentence using the Key Term, preferably one that provides proof of comprehension.

Name: _____

Date: _____

The Road to Prosperity **Worksheet**

1. Changes to _____ in the United States left the rest of the world behind.
2. _____ was the old order in which kings, queens and nobles had almost all of the property in their hands.
3. Conflicts among humans are usually about _____.
4. The _____ is the product of good habits, good customs that people accept.
5. Historically, all legal documents began as _____.
6. All over the third world, people are creating documents to record transactions, to establish _____.
7. As the old feudal order in Europe broke down, _____ gained the freedom to own property and create businesses.
8. In the United States, the first great engine of _____ was property rights for the common man.

Name: _____

Date: _____

The Road to Prosperity **Worksheet, Page 2**

9. People came to New York in the 1800s and early 1900s in search of _____.
10. Through most of the 19th century, _____ were a hated presence on the frontier.
11. Three ways in which people in the “Wild West” staked claims to property were _____ rights, _____ rights, and _____ rights.
12. First comes the people, then comes the property, then comes the _____.
13. America’s second great engine of growth was the modern _____.
14. The _____ would not have been possible without the corporation.
15. History shows us that when ordinary people gain access to property rights and the rule of law, they begin to travel the road to _____.

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Key Concepts

1. *Spoken law*: resolves all conflicts through adjudications that are accepted at each village, commonly disputes about property.
2. *Law from the people*: a legal system that springs from the people, reflecting their customs and beliefs. The people's law (as distinct from legislation).
3. *Speech act*: members of the community come together to create a "public memory" that certifies a transaction has taken place.
4. *Document act*: standard form so everybody takes away a symbol, or a representation of the act; a legal deed to document, in writing, a property transaction. A certification of somebody being owner. (Also, the beginning of written law.)
5. *Written law*: creation of documents is an important step forward in recording a variety of transactions; to establish property rights, protect assets, and to connect people to expanded markets outside of their village, and eventually to connect people with national and global markets.
6. *Top-down law*: power as it was in most of the world up until about 200 years ago; a few people had all of the control, made all the laws.
7. *Bottom-up law*: law had to become flexible and allow individuals (common people) to hold property rights; fundamental turning point for mankind; power shifted from castles on the hilltop to villages and people below.
8. *Property revolution*: for centuries less than three percent of mankind had owned almost all of the world's land. Once people started getting legal title to their land, a profound shift occurred. It became easier for common people to trade their property, invest in it and use it for collateral to build businesses.
9. *Tomahawk rights*: symbol to declare possession of land, usually created through a hatch mark on a tree or nearby object.
10. *Corn rights*: corn grew from here to there, which established a property right from here to there. Growing corn was an improvement on the property, which helped to confer legitimacy on one's control of the land.
11. *Cabin rights*: built upon the property. Another way to improve the land and claim it.

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Key Concepts, continued

12. *Property rights*: Legally recognizes control and use of some property by an individual; property titles (documents that define property rights) ensure the individual has a legal right to: defend the property and exclude others from using it, sell or trade the property for currency or another type of holding, and define its extent and boundaries relative to other property.

13. *Business law*: Allows for the formation of the modern business organization (the corporation) which, in time, allowed for greater division of labor, wider trade and globalization to emerge.

Discussion Questions

1. “The road to prosperity started with the rise of individual property rights and the rule of law...” How does the video support this idea?
2. “Every society...has a concept of private property and ownership.” Give two examples that demonstrate this – one from the tribal Maasai and one from your own life.
3. “The law is the product of good habits and good customs that people accept and that continually incorporate people’s real dealings with each other.” Explain.
4. “The majority of people in the world want order.” What is order? How is property related to order? How do the Maasai preserve order in their communities? How should people decide what sort of order they will have? What beliefs and desires might influence the sort of order people choose? Why do you think our society has embraced an abstract, document-based order?
5. “Custom is not enough....you need law.” Why? What happens to a society that does not have written property law?
6. What is the significance of the property transfer conducted by Rick Ambinga in the video?
7. What is the connection between property rights and power? What happened in Europe as the feudal order began to break down?
8. “Millions left their homes to travel the world in search of opportunities in the emerging markets of the day.” How were these people like the migrants who are moving to cities in the third world today? How do they compare to the immigrants to the United States today?

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Discussion Questions, continued

9. “Law is spontaneous.” Is the property document (deed) created by Rick Ambinga spontaneous? How does it make use of existing customs? Can law be designed by a few really smart people in power? Explain.
10. “First comes the people, then comes the property, then comes the rule of law.” Explain.
11. Analogy from the video: How is business law like steam power?
12. How did the business corporation make railroads possible?
13. In the American West, settlers claimed the land they had cleared, planted, or built a cabin on. These improvements gave them title to the land “because they worked it.” To what extent is the claim to property rights a moral claim? Are property rights like other rights (like rights to one’s body)? Why or why not?
14. If a farmer clears and plants crops on a piece of land and some nomads decide to use that same land for hunting or grazing, would it be accurate to say that both the farmer and the nomads are working the land? Why/why not? Who has the right to the land? How would this be decided under the different types of legal systems discussed in the video? How would it be decided if there were no law? What can happen if everyone thinks they own some piece of land and the resources on it? This happens with ocean fish and the Amazon Rainforest. Can property rights help protect fish and forests?
15. Hernando de Soto sees the United States of 150 years ago as being like a third world country today. Why? Do you agree or disagree? Why?
16. When ordinary people gain access to property rights and the rule of law they begin to travel the “road to prosperity.” How? Give two examples from the video – one historical and one modern – and one example from your own knowledge or experience.

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Enrichment Activities

1. Ask your family or friends if they would be willing to buy a vehicle with only the current “owner’s” word that it belongs to them and is in fact theirs to sell. What is the reaction you receive? Why? How might the reaction be different if you lived in a small, isolated community in which everyone was related to or at least knew everyone else?

2. Learn more about the Maasai, including their history, culture, and economy.

3. Research the Homestead Act.

4. Essay: How did the development of property rights ultimately enable the creation of the corporation and, ultimately, large scale growth?

5. View the Japan bonus video included on the DVD and answer the following questions:

-- How or why did the establishment of private property rights for the common people ultimately revolutionize entrepreneurial activity in Japan? Why is it that this entrepreneurial spirit is stifled without the establishment of private property rights?

-- In addition to the property reforms discussed in the video, what other changes occurred in Japan following World War II that contributed to Japan’s postwar economic growth? Do you think Japan would have been as successful without the property reforms? Explain.

-- In the West, the development of property rights for all was an evolutionary process which took centuries. In contrast, the process was forcibly imposed on Japan by the Allies following Japan’s defeat in WWII. Why was this rapid, forced change successful? Was it because it built upon land reform that had already begun in Japan? Was it because Japan was a nation in crisis after the War? Other reasons?

-- Do you believe that any third world country can transition into a prosperous capitalist country in as little time as did Japan -- a mere half century? If so, what changes must take place in order to make this possible? If not, why not?

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Answer Key to Worksheet

1. property law
2. Feudalism
3. who owns what; ownership; things they own or think they own
4. law, or legal system
5. speech
6. property rights
7. common people
8. growth, or economic growth
9. jobs, better life for selves/families
10. squatters
11. tomahawk, corn, cabin
12. rule of law, or law
13. business organization, or corporation
14. Industrial Revolution
15. prosperity

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