

BEE THE CHANGE



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Transcript

SYLVIA BANDA: We were seven girls in the family and one boy, and this boy was the last born. The fellow villagers kept on laughing at my father. I started asking myself, is it a crime to be born a girl? So it was from that time I declared anything that a man can do, I can also do it.

DAE SUNG KIM: In South Korea, everyone is entitled to have a dream, which is a huge difference from North Korea. You may say it is heaven and hell.

ERIK RYBARIK: We are still very young. Every country, you know, needs a lot of years to get the old bad stuff out and, you know, change it for something which is better or good.

KATARINA RYBÁRIKOVÁ: If I make a decision and if it's not the best one, then I'm the one who's going to suffer. So this was the tough part that I didn't think before.

VERONICA CEREZOS: We have three children, and we have to make efforts for their sake; we fight for them. To give them something better, to give them a better future.

JOHAN NORBERG: A better future. That's a goal all of these people – indeed, all of us – have in common. In a moment, we'll share one of their remarkable human stories of survival, triumph, and a life in transition. This is also a story of a nation transforming itself in ways that are allowing people to rise out of poverty and take control of their own future. From Zambia to South Korea, from Slovakia to Chile, newfound economic freedom is changing lives.

I'm Johan Norberg. And I've been studying economic freedom for decades. What is it? And what impact does it have on people's lives? In the last 100 years, the world has created more wealth, reduced poverty more, and increased life expectancy more than in the 10,000 years before. Since the beginning of recorded history until the year 1800, the average person's income barely changed. But in the 200 years since, they increased by 2000%. How did that happen? And what role did economic freedom play?

Economic freedom is not about numbers and charts and graphs. No, it's really about people. People who want the opportunity to work hard, to become self-sufficient and independent, and to improve their quality of life. To see the impact of a tremendous leap in economic freedom, we travel to the west coast of South America, to the long, thin country of Chile. Despite its volatile political past, Chile is a stunning example of what can happen when a country embraces economic freedom.

JOHN HERNANDEZ (03:24): This idea was born as a result of our family's initiative to do something together to try to escape poverty. That's how we created this company, this partnership between brothers that started little by little.

JOHAN NORBERG: John Hernandez grew up in a small Chilean village. He went to work on a beekeeping farm to learn the trade, and after five years, he, his two brothers, and sister pooled their money to invest in their own beekeeping business.

JOHN HERNANDEZ: We walked into a business without knowing what to expect from the future.

JOHAN NORBERG: They would concentrate on honey production and pollination services for local farmers. Their business slowly began to grow, and eventually, the bee farm could support their many growing families. Then, in 2005, there was a sudden decline in bee populations, jeopardizing crop pollination around the world. Nearly one-third of human food requires pollination from bees. Since then, the crisis has only worsened, with one-half or more of the bee population dying.

JOHN HERNANDEZ: The bee health situation was very bad. So we got serious about our professionalism. We were no longer peasant beekeepers that we were at the beginning. We had to turn our company around and incorporate technology, and to do that, we had to hire experts and bring them from abroad so we could be taught how to save our bees. We trained ourselves and educated our workers.

JOHAN NORBERG: But maintaining the health of his bees was not going to grow the business. John needed a new source of income. His research led him to a large French bee producer in desperate need of new hives. John's company began exporting queen bees, and even full hives, to France. Since Chile has one of the most open trade policies in South America, implementing this new source of income was not difficult.

JOHN HERNANDEZ: By producing queen bees for Europe, we generate income in the months of April, May, and June... months traditionally with no income for us.

JOHAN NORBERG: John and his family had made a new life for themselves and for others in their community. For his parents, such success would have been unthinkable. One leader of Chile's economic transformation was Hernan Buchi.

HERNAN BUCHI (06:17): You have to look backwards and see how much poverty there was some time ago in Chile. There was a perception then by people that was convinced that the way out for our society was communism.

JOHAN NORBERG: In 1970, Chile elected a new president. Salvador Allende was the candidate of both the Socialist and Communist parties. Allende took immediate and controversial steps to implement a centralized economic system fully controlled by the government.

LUCIA SANTA CRUZ: A strong percentage of the population legitimized violence as a form of solving political differences. Allende was the founder of one of the organizations

for the promotion of revolution in Latin America, and the expansion of the economic activities of the state were done not by law, not through parliament, but simply by taking over.

HERNAN BUCHI: They actually wanted to destroy the market as a way of taking over politically, and then have the power. Because when you take the market then you have the power.

JOHAN NORBERG: Allende nationalized all businesses. He took over farms larger than 200 acres and sent armed militia to commandeer the mining companies as well as many small, family-owned stores. He greatly increased government social programs to aid the poor. But, the economy was in chaos, and his government could not fund the programs they had created. In just one month, inflation soared to 22%, and in 1973, Chile's Supreme Court unanimously denounced Allende's actions as unconstitutional.

In September of 1973, General of the Army Augusto Pinochet led a coup d'état against the Allende government. As the army moved in, Salvador Allende committed suicide. In less than a day, a military junta controlled Chile, and Pinochet was proclaimed President.

It is estimated that under his regime, 3,000 people were killed, and another 25,000 were imprisoned or tortured, including women and children. A dramatic monument to "The Disappeared" stands today to remind Chileans of that terrible period.

But there is a great paradox within Pinochet's rule. Many generals wanted the military to control the economy as well, but instead, Pinochet invited outside experts to try and save the collapsing system. He handed over the restructuring of the country's economy to a group of young graduates of the University of Chicago, students influenced by the Nobel Laureate Milton Friedman. They became known as the "Chicago Boys".

HERNAN BUCHI (09:07): The Chicago influence in Chile was relevant because it created a new brand of economists—more modern trained economists. People that believed in free markets and free society. That kind of things were a novelty at the beginning of the '70s in Latin America and in Chile.

JOHAN NORBERG: Chile implemented an open trade policy, returned businesses to private ownership, and privatized the pension system. Although a difficult transition, the economy began to improve, soon growing at an unprecedented rate, and the world took notice.

ARCHIVAL NEWS REPORT: Competitive imports mean Chilean manufacturers have to raise productivity and quality or go to the wall. Statistics indicate that 130 Chilean businesses did go bankrupt in the first quarter of 1980. Businesses ranging from large factories to small neighborhood stores. But at the same time, there are indications that industrial and agricultural production nationwide is slowly increasing. There is no shortage of customers for the wide range of goods on sale at reasonable prices.

JOHAN NORBERG: Although economic freedom had been achieved, political freedom

would not be realized until 1991. Pinochet finally authorized an election and was defeated. He stepped down, although the legacy of his brutality lives on.

LUCIA SANTA CRUZ: This economy is the only way in which the poor can overcome their situation and that we have seen in Chile 100%. And you can have social mobility - which in Chile didn't exist. 3% of the population went to university. Today, we have nearly 40%. 75% is the first generation that's going to university. To me, that's a much fairer country than the one that existed when I was little.

JOHAN NORBERG: Over the past three decades, Chile has transformed itself. Its poverty rate was then 40%. Today, it is 14%. Extreme poverty in Chile has dropped from 16% to 3%. And now, there are several independent programs designed to promote and support entrepreneurial activities among the poor. Veronica Cerezos is a participant in one such program.

VERONICA CEREZOS: My name is Veronica Cerezos, and my micro-factory is FIBRAS DISEÑO Y HOGAR. We manufacture loom, weaved, and felt objects. We make rugs, throws, and cushions. And we are planning on making curtains and sheets in the future, all home decor.

JOHAN NORBERG: Veronica and her family live below the poverty line in Viña del Mar in an encampment of simple homes. Electricity is unofficially taken from the street, water comes from the community cisterns, and there is no sewer system.

VERONICA CEREZOS (12:41): We began training. And we were there for over a year learning how to weave on a loom, to make felt, to sew, and select materials. Learning how to manage a micro-factory. So far, we have made twenty thousand pesos we have saved. With that money, we will buy some wool to make a rug that was ordered.

JOHAN NORBERG: Today, Veronica and her partners are moving into their new workshop.

VERONICA CEREZOS: We want to prove that even though we live in an encampment, we can do it. We want to have more income and, at the same time, make our business grow so we can employ our own people, all of those that live here at the encampment. That is why we decided to do our workshop right here, where we live.

VERONICA & PARTNER: FIBRAS DISEÑO Y HOGAR

VERONICA CEREZOS: We have three children we have to send to school. And we have to make efforts for their sake. We fight for them. I am giving them something better than what my parents could give me.

JOHAN NORBERG: Beekeeper John Hernandez is also working hard to create a better life for his family. He believes he can help America's problem with dying bees. But, the United States has strict import regulations that forbid the importation of bees from South America.

JOHN HERNANDEZ: They need bees. That's what we're working for right now. Negotiating that.

JOHAN NORBERG: In the meantime, he remains appreciative of the business he has from Europe.

JOHN HERNANDEZ: Today's situation is so different. For sure, a lot has changed in my life.

JOHAN NORBERG (14:46): In my years researching this topic, I've seen example after example where people's lives have improved for the better because they had economic freedom. It may be the most powerful force I know for empowering people and creating conditions for poverty reduction and national prosperity.

For John Hernandez and his family, economic freedom has freed the entrepreneurial spirit and brought prosperity to many others. It allows him to contribute to the worldwide fight against a declining bee population.

And for Veronica Cerezos, economic freedom has provided hope that life will be better for herself and her family.

These people are the heroes of our time, working hard to transform their lives and their communities. For them, economic freedom is not some academic concept or economic abstraction. It's food on their tables. It's a future for their children. It's the ability to enjoy the fruits of their labor. And ultimately, it's the power that we all desire...to control our own lives.

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