

TRANSCRIPT

THE *Ultimate Resource*



featuring
Johan Norberg
Swedish Author & Scholar

*f*REEDOM'S SOUND



izzit
.org®



Freedom's Sound

Transcript

NARRATOR: From small villages in sub-Saharan Africa to the bustling cities of the Asian sub-continent, from Latin America to China and Eastern Europe, people everywhere are striving to improve their lives. People seeking the same things: opportunity to learn, an identity and ownership that allows them to prosper, a chance to earn a living for themselves and their families, to use their imaginations, to take risks and possibly fail but to increase their options and reap the rewards if they succeed. Join us now to see what can happen when ordinary people have the tools to help themselves.

Somewhere on earth, at this very moment, a child is beginning its journey through life. Two hundred and fifty babies are born every minute, fifteen-thousand an hour; 132 million a year, each and every year. And among them may be the potential to cure disease, to reinvent the future, or to change the course of world history because people are the world's ultimate resource.

Sometimes, miracles occur in the most unlikely places. This small country has been dominated by its neighbors and denied freedom for most of its history. In the center of its capital, Tallinn remains one of the best-preserved medieval cities in Northern Europe—a testament to what can be created through free trade. Since its independence from the Soviet Union in 1991, sweeping economic reforms have transformed Estonia. It's now the most competitive new member of the European Union, and the *Wall Street Journal* ranks it as one of the freest economies in the world. Johan Norberg is a Swedish author and scholar specializing in global trade issues.

JOHAN NORBERG (02:55): Just fifteen years ago, this was a poor part of the Soviet communist dictatorship. There were bread lines, one thousand percent inflation— but then, with the right institutions, democracy, free trade, free markets—suddenly, people had the opportunity to improve their lives with entrepreneurial creativity. And now this place is booming with the fastest growth rates in Europe. So, it shows the rest of the world that freedom works.

NARRATOR: In an older neighborhood on the outskirts of Tallinn is the home of one of Estonia's most dramatic success stories. The Estonia Piano Company is now producing an instrument that rivals the finest pianos on the market.

JOHAN NORBERG: People everywhere are entrepreneurs. They want to produce, buy and sell things because they want to improve their lives for themselves and for their families. Estonians have always done that. They were creative, entrepreneurial up until the communist occupation.

NARRATOR: For fifty years, Estonia was ruled by the Soviet Union, its economy stifled by the central control of production and distribution. Although Estonians won their independence from Russia after the First World War, they lost it again to the Soviets

during the Second. In those bleak times, the Estonia Piano Company manufactured instruments only for the Soviet Republics. Like most young Estonian men, Urmass Orunurm was drafted into the Soviet Army. Today he's a master craftsman, but still remembers the hardships of his youth.

URMASS ORUNURM: *Everything was completely different during the Soviet times. Just to buy an orange you had to know someone, get it through a back door.*

NARRATOR: Jaanus Randveer is also a master piano craftsman. He has worked at the Estonia Piano Company for 45 years. He will never forget the Soviet era.

JAANUS RANDVEER: *In those days, all the alert, active people like my father were taken away. They were simply taken away. He worked 12 or 13 years in forestry and the mines in Siberia. I was in the 8th grade when I really first saw my father.*

JOHAN NORBERG: For a company here in Estonia before the reforms, they were stuck in a planned economy. It was impossible for them to get the kind of goods, the supplies that they needed. With the abolishment of price controls, of protectionism, of communism, suddenly this entrepreneurial spirit springs up and creates magical wonders.

NARRATOR: But even with Estonia's new independence and the eventual success of painful economic reforms, the Estonia Piano Company and its craftsmen remained trapped in the past. For forty years they had built pianos exclusively for the state. Standards were low, but it was a steady business. They were forced to buy most of their materials from within the Soviet Union and they could only sell pianos within the Soviet Union. There was no competition, no incentive.

JAANUS RANDVEER: *For a while, we were really at the bottom. We made old pianos. We wanted to keep people working, but the Soviet market suddenly disappeared.*

NARRATOR: The instruments were sturdy but hardly world-class. Production dropped from five hundred pianos a year to a low of forty-nine in 1994. The National Concert Hall in Tallinn. Urmass is here with his daughter, Triin. He's on assignment. Indrek Laul, concert pianist and graduate of the Julliard School of Music, is practicing for a performance. He's playing a new Estonia Piano, and Urmass is here to ensure it's in perfect condition. But Indrek Laul is not just any concert pianist. As a young man in Estonia, he worked at the piano factory, demonstrating new instruments for customers. As the company continued to struggle and the value of its shares continued to drop, Indrek bought as much stock as he could. In 2003, he gained controlling interest in the troubled company. He's now its president. When he took over, his daunting task was to keep the company alive. His answer was "quality."

INDREK LAUL (07:35): Piano is bought once in a lifetime, and so they want to get the most beautiful piano sound, the most beautiful quality piano they can get. I thought that the best we can do is offer the most quality instrument we can make.

JOHAN NORBERG: Centrally planned economies don't work because you can only get people to do the same old thing, to repeat what they've already done, the same old piano, for example. What you need is the new entrepreneurs, the innovators with strange new ideas who come in from the side, like this guy who comes with a brilliant idea for a new piano, introduces hundreds of changes, and then suddenly is going global selling all over the world.

NARRATOR: Today, the Estonia Piano Company benefits from the finest quality imports and techniques from around the world. Wood for the soundboard comes from the cold climates of Switzerland and Austria. Slow-growing trees make narrow rings that help carry the sound. Keys are carved from spruce, making them light and sensitive. The keys are the driving force of the piano action, which is imported from Germany. All the bass strings are handmade at the factory. Copper wire adds width, which lowers the tone. Master craftsmen shape and soften the hammers until the sound is rich and concentrated. Every piano is broken in by this unique machine. The strings are stretched. It is then sent for tuning and voicing.

JOHAN NORBERG: Now, in a new, free Estonia, having abolished all the tariffs and become a part of the global economy, it's possible for an Estonian Piano Company, for example, to buy the best goods, the best supplies, the best material from whichever source it happens to be wherever in the world. Then they can also improve their goods and sell it to the rest of the world.

INDREK LAUL: We still have 88 keys, and the amount of strings we have on the piano is the same. Everything else has been changed. It's a completely different instrument from what it was.

NARRATOR: To help save the company, Indrek enlisted the help of his father, Venno Laul. An internationally known choir director, Venno works alongside the craftsmen, supervising the many changes and ensuring quality. During World War II, he was only five years old when the Germans imprisoned his father and executed him.

VENNO LAUL: *When we became free, it was such a great change to our whole nation that, at first, we didn't understand what the age of oppression had meant. As the world opens up to us, we have products to send to larger nations.*

NARRATOR (10:36): Estonia Pianos are now sold worldwide and rank close to Steinway in quality at about half the price.

JOHAN NORBERG: We can clearly see that a great benefit of free trade is cheaper goods, which means the consumers they gain from it, but we often forget that the workers also gain so much.

URMASS ORUNURM: *Estonia Pianos are good because they're handcrafted. They're good because I make this piano. If no one buys the piano, then my life does not go so well either. It's good that Estonia Piano sells pianos all over the world. Then payday is a good day.*

INDREK LAUL: We have created the Estonia sound. It's like no other piano sound you can find. It has that deep, romantic, rich tone that, for me, represents not only Estonia Piano making but also Estonia musical culture. I don't think without free trade our company would even exist right now.

VENNO LAUL: *I would say to all the nations who have not yet achieved freedom and free markets that it is an aim and an ideal in whose name no price is too large. The promise of this dream has been a reason to live.*

Thanks for choosing izzit.org materials! We'd love to hear from you! If you have any comments, questions, or feedback, please email Ask@izzit.org or call us at the number below. We can't serve you well if we don't know what you need!

izzit .org[®]

Check out more free educational resources at izzit.org, including:

- [Current Events Lessons](#)
- [Activities](#)
- [Online Quizzes](#)
- [So much more!](#)

