



POWELL CENTER FOR
ECONOMIC LITERACY

Lesson Plan

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Even the Pilgrims Couldn't Make it Work

Time Required

1 class period

Economic Concepts

Allocation of Resources – *the way in which scarce resources are distributed among competing interests within an economic system. In a free market system, supply and demand determine the price of goods and services, and those prices guide the allocation of resources.*

Common Property – *resources belonging to a group as a whole, with no one individual uniquely responsible.*

Economic Growth – *an increase in a country's production so there are more goods for each person.*

Incentives – *a benefit offered to induce people to behave in certain ways.*

Property rights – *the legal entitlement regarding the ownership, use, and transfer accruing to the individual or organization owning a specific physical item, such as land, building, car, furniture, or equipment.*

Trade-offs – *giving up some of one thing to get some of another thing.*

Overview

Despite the fall of the Soviet Union and the persistent, abject poverty of people in countries where private property is nonexistent or under attack, there remains a widespread misconception that property rights are a weapon the wealthy use to exploit the poor. History has recorded the opposite. Time and again, the doors to wealth-producing economic growth have been opened — not closed — by secure, well-defined private property rights. In this lesson, students use Governor William Bradford's record of the Pilgrims' first years to analyze the incentive problem that undermines even the most well-intentioned attempts to address scarcity through common ownership.



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Objectives

- Students review the economic concepts of incentives and property rights and use them to analyze an historical situation.
- Students learn how the incentives embodied in private ownership differ from those inherent in common ownership by calculating output under different rules of ownership.
- Students analyze primary source documents describing the Pilgrims experience to learn why private property rights foster production and creation of wealth while communal property ownership does not.

Materials and Handouts

Handout 1 **Changing Course in Plymouth, 1623**

Handout 2 **Figure It Out**

Overhead Transparency **Governor Bradford Has the Last Word**

Teaching Activity

Review or introduce the following terms:

- **Property Rights** -The legal entitlement regarding the ownership, use, and transfer accruing to the individual or organization owning a specific physical item, such as land, building, car, furniture, or equipment.
- **Common Property** - Resources belonging to a group as a whole, with no one individual uniquely responsible

Distribute Handout 1 on the history of Plymouth. Read Part I of the handout to the class, providing any necessary assistance with the 17th-century English syntax.

Discuss the following questions:

- What language in Governor Bradford's history tells us that the Pilgrims changed from a system of communal property rights to a system of private property rights? (*The specific sentence concludes that Governor Bradford "... gave way that they should set corn every man for his own particular, and in that regard trust to themselves; in all other things to go on in the general way as before."*)



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- How did Governor Bradford make the decision to change? (*He consulted with others considered to be leaders of the colony, "the chiefest among them."*)
- What property rights rules replaced communal ownership, i.e., how was the land divided? (*The land was divided by family, with the amount determined by the size of the family. You may wish to explain to students that at this time in history, women generally had no rights to property. Anything given to them by their fathers became their husbands' upon marriage.*)

Read Part II of Handout 1 to the class. Ask students whether Governor Bradford's history supports or undermines the economist's shirking hypothesis? Explain that Governor Bradford's history supports the hypothesis, pointing out sentences 2-5 in the second quoted excerpt. Ask students the following questions:

- What, according to the governor, was each group's complaint about the common property rights arrangement?

Young, unmarried men - *Young, unmarried men did not want to work for other men's wives and children without being paid.*

Strong men - *Strong men thought it unfair that they received the same amount as weaker men who did much less work.*

Older men with status - *Older men with status thought it undignified that they should have to work with lower men, and that it showed a lack of respect for their position that they received the same as everyone else.*

Married men - *Married men did not like their wives doing laundry and chores for other men.*

Wives - *Wives thought having to work for men other than their husbands was a kind of slavery.*

How did Governor Bradford think the above complaints impacted the colony? (*He thought that even though the colonists were good people and the resentment did not completely break the bonds among them, it weakened their respect for one another. "... Yet it did at least much diminish and take off the mutual respects that should be preserved amongst them. ..."*)



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- How did he explain the Pilgrim's failure to make the system of common property rights work well? (*Governor Bradford said that God wanted the Pilgrims to follow a different path.*)

When you are satisfied that students understand the shirking problem at Plymouth, explain that economists believe such problems are not unique to the Pilgrim colony but are the [results of people's predictable reaction](#) to the incentives found in all systems of common property rights.

Define incentives. Incentives are rewards or punishments that influence people's behavior. Divide students into small work groups and distribute copies of Handout 2, **Figure It Out**. Allow time for student groups to complete the chart and answer the questions. Decide whether you want students to answer questions 3, 4, 7, and 8 precisely (using numerical amounts or percentages) or generally (more, less, a little, a great deal, etc.), and give them the appropriate directions.

Review using an overhead transparency of the chart. Share and discuss small group answers to questions 1-11. Tally the groups' predictions of the success or failure of adopting private property rights at Plymouth. Ask individual groups to justify their predictions by explaining how private property changed incentives and therefore changed the Pilgrims' behavior. Encourage students to talk about incentives in their answers. When people know they will own what they've produced, they feel rewarded. They have an incentive to work harder. However, when people know what they get for themselves and their families isn't very much affected by how hard they work, the reward disappears and the incentive is to work less.

Display the overhead transparency **Governor Bradford Has the Last Word**. Help students identify the evidence Governor Bradford offers to show private property rights eliminated the shirking problem in Plymouth. Point to the specific evidence Governor Bradford lists — more corn was planted, people went willingly to work, and work no longer seemed a punishment. You may also want to point out that Governor Bradford believes philosophers who advocate common ownership are wrong and that God approves of private property rights.

To relate this lesson to economic growth, generate a list of eight to 10 nations, some in which property rights are strong (United States, Canada, Japan, Hong Kong, Singapore), some in which property is owned in common (Cuba, North



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Korea, China), and some in which property rights are unclear, insecure, or denied to some segments of the population (various African and Asian dictatorships). Using Internet data, compare per capita GDP and rates of economic growth (annual change in GDP) in the three categories. [The United Nations CyberSchoolBus](#) site may be particularly helpful.

Extension Exercises

Assign student pairs or small groups to research other problems of common ownership. Possible topics might include various 19th-century utopian communities, passenger pigeon extinction, buffalo near-extinction, mid-20th-century hippie communes, and modern problems of deterioration in our national parks.

With advanced students, you may wish to examine the connections between our economic understanding of incentives, Governor Bradford's belief that private ownership is approved by God, and the idea of the "Protestant work ethic" that has been so influential in American history.

Keystone Economics

While the primary focus of this lesson is to illustrate **Keystone Principle # 5: People respond to incentives in “predictable” ways**, several other principles are also demonstrated. They include the following:

Principle #1 – People choose.

- The Pilgrims could not satisfy their needs and wants with the limited resources they had. The scarcity they faced forced them to make different choices. [Back](#)

Principle #2 – All choices have costs

- This lesson provides an excellent example of an opportunity cost. When the Pilgrims initially organized themselves, they chose to do so communally. If we assume their next best option would have been to recognize private property rights, it would be considered the initial

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opportunity cost. It was the choice foregone. However, in the subsequent decision to recognize private property rights, the opportunity cost did not become communal property, because that was no longer desirable. The opportunity cost would be the next best choice at the time the choice was made. [Back](#)

Principle #3 – Choices have consequences and those choices lie in the future.

- Frequently, there are unintended consequences to the choices people make, but those who know and understand history are better able to predict the short- and long-term consequences of certain actions. As the Pilgrims found out to their chagrin, consequences come as the result of our actions, not of our intentions. [Back](#)