LESSON ONE
THE FIRST ECONOMIC REVOLUTION

INTRODUCTION
History There have been human beings on earth for more than a million years. However, most of the major advances of the human race have been compressed into the past 10,000 years. It was about 10,000 years ago, at the dawn of the neolithic period, that many hunter/gatherer societies developed a settled agricultural lifestyle.

Mystery Many scholars believe that the nomadic hunting/gathering groups of 10,000 years ago could normally get all the food they wanted without working as hard as the first farming people worked. Why would people choose to be farmers if they had to work harder than they had before?

Economic History Economists think of human beings as basically rational creatures who make choices based upon expected costs and benefits. To those nomadic peoples who settled into an agricultural way of life, the benefits of a more regular and dependable source of food probably outweighed the cost of harder work and perhaps a more monotonous diet.

CONCEPTS
Choices
Costs
Incentives

OBJECTIVE
◆ Learn and apply four basic principles of economic reasoning

LESSON DESCRIPTION
The teacher explains four basic principles of economic reasoning, using a modern example. Students in groups then apply the same principles to understanding why some nomadic hunting/gathering groups may have shifted to a settled agricultural lifestyle and what the consequences of their choice were.

TIME REQUIRED
One class period

MATERIALS
◆ One copy for each student of Activities 1, 2, and 3

PROCEDURE
1. Explain that in Southern California some young people spend most of every day surfing rather than going to school or to work. In some ways, it's a wonderful life—sunshine, fresh air, and the thrill of searching for the perfect wave. They don't need many clothes or much money. There are no bosses to order them around.

2. Ask students to imagine two eighteen-year-olds, Joe and Jeff. Joe is a surfer who spends almost every day at the beach. Occasionally he works at a part-time job to get enough money to eat and to buy wax for his surfboard. Jeff likes to surf, too, but his opportunities to do so are limited because he has a full-time job as the assistant manager at a fast-food restaurant.

3. Ask students what the advantages of Joe's surfer lifestyle are? (Time to enjoy a sport he loves, fresh air and sunshine, no boss to order him around.) What are the disadvantages? (Low income and little ability to buy desirable goods and services.) What are the advantages and disadvantages of Joe's lifestyle as a full-time worker? (Joe has more income, but his time is not his own and he is giving up leisure.)

4. Tell students that human beings throughout history have had to make choices about how to live their lives. We can understand history better if we know how and why people make the choices that they do.

5. Distribute Activity 1. Explain that these principles of economic reasoning can be used to understand choices that people make today and have made in the past. Explain the four principles and apply them to the choice of being a full-time surfer or a full-time worker.

People Choose. Explain that, although individuals often say, "I did so-and-so because
I had no choice,” usually there are alternatives among which they can choose. Some young people actually choose to spend most of every day surfing, at least for a few years. More young people choose to work full-time or to go to school.

People’s Choices Involve Costs. Explain that, when individuals choose one alternative, they give up other alternatives that may also have some advantages. What does Joe have to give up? (The income to buy many desirable goods and services; the opportunity to establish a work record and learn saleable skills.) What does Jeff have to give up? (Leisure time and some control over his actions.)

People Respond to Incentives in Predictable Ways. Explain that an incentive is something that encourages an individual to choose a particular alternative. What incentives are there to be a full-time surfer? (Time to enjoy the beach and to perfect surfing skill.) What incentives are there to be the assistant manager at a fast-food restaurant? (A regular source of income, ability to buy more goods and services, an employment record, chance to learn saleable skills.)

People’s Choices Have Consequences That Lie in the Future. Explain that one cannot always know what all the consequences of a choice may be. Ask students what some long-term consequences might be of choosing to be a full-time surfer or the assistant manager at a fast-food restaurant? (Answers will vary. If Joe later decides to get a job, he has missed an opportunity to build up a good work record and valuable job skills. On the other hand, Jeff might in later years look back with regret on his lost opportunities to improve his surfing skills and to enjoy leisure time at the beach.)

6. Explain that some of the people who lived at the beginning of the Neolithic period faced a choice similar to the choice of being a surfer or a worker. Many scholars believe that the first people to become settled farmers may have chosen a lifestyle that involved harder work than the way of life they were giving up—that of being nomadic hunter/gatherers. Why would people make a choice that involved harder work? Suggest to students that the same principles of economic reasoning might be used to explain the decision of these people.

7. Divide students into small groups. Give each student a copy of Activities 2 and 3. Have the groups read Activity 2 and also the part of their world history textbook that discusses the first farming peoples. (Every textbook probably covers this. However, you may also wish to find some additional reading material on this topic.) Then have each group discuss and write down answers to Activity 3. Suggested answers are:

1. They chose to settle in one place and to become farmers.

2. The quantity of food available is probably more reliable, and it is easier to store food for bad times if one is in a settled village. People might also have responded to a change in the availability of food by hunting fewer large animals or having fewer children.

3. Some leisure, according to the scholars quoted in Activity 2.

4. Settled agriculture ultimately allowed more food to be produced than growers needed. This freed some workers to specialize in producing other kinds of goods and services. (This point is illustrated by the simulation in Lesson 2.) Some agricultural villages grew to be true cities.

CLOSURE
Review the answers of the small groups in class. Stress the point that historical events are the result of human choices. Also point out that historical events can help people understand current issues and problems. This idea is central to economic reasoning about the past.
ACTIVITY 1
SOME PRINCIPLES OF ECONOMIC REASONING

1. People choose.

2. People’s choices involve costs.

3. People respond to incentives in predictable ways.

4. People’s choices have consequences that lie in the future.
ACTIVITY 2
WHICH WOULD YOU RATHER BE, A NOMADIC HUNTER/GATHERER OR A FARMER?

Why did some groups of people in various areas of the world abandon hunting animals and gathering wild foods as a way of life in order to become farmers? The nomadic hunters and gatherers of Paleolithic times are often pictured as struggling desperately to find enough food to survive. When some hunting/gathering bands began to plant and harvest crops, domesticate animals, and live in permanent settlements, their lives improved dramatically, according to this view.

However, a number of anthropologists who study present-day hunting/gathering societies, have challenged this interpretation. Richard Lee, for example, estimated that women of the !Kung tribe of Africa could gather enough food in six hours to feed their families for three days, while even the most ambitious man of the tribe averaged less than 32 hours a week hunting. Reasoning from this and other studies, anthropologist Marshall Sahlins concluded that many Paleolithic hunter/gatherers may have lived relatively easy lives.

On the other hand, the earliest people who turned to settled agriculture probably worked very hard. They had to dig and turn soil in order to make the earth more receptive to seeds. They had to keep weeds out of the field. If men gave up hunting in order to farm, there would be less meat available to eat. Women would not be able to gather as wide a variety of nuts, berries, and other plants. Why would people shift to a lifestyle that involved harder work and a less varied diet?
ACTIVITY 3

Name ______________________

1. What choice did some nomadic hunter/gatherer bands make?

2. What incentives might there be for a group of hunter/gatherers to become farmers?

3. What would the costs be to hunter/gatherers of becoming farmers?

4. Over a long period of time, what were the consequences of this choice?