

Spare a tear for Argentina

LEVEL TWO - INTERMEDIATE

Pre-reading activities

1 The following words can be found in the text about Argentina:

World Cup	economy	currency	demonstrations
bank accounts	exchange rate	debts	bankrupt

Prediction. Which of these sentences is the best summary of the text?

- 1 The Argentinian football team's defeat in the World Cup will have a bad effect on the economy.
- 2 People in Argentina have been demonstrating because of the exchange rate.
- 3 Compared to the problems in the Argentinian economy, football is a minor problem.

2 Skimming exercise

Each of these sentences summarises a paragraph in the text. Put them in the correct order.

- a The IMF wants to impose some unpopular conditions on Argentina.
- b There are large demonstrations every day outside the Presidential Palace.
- c The situation may get worse before it gets better
- d When the dollar began to rise, Argentina suffered serious problems.
- e Argentina is collapsing economically, politically and socially.
- f In the mid-1990s President Menem introduced reforms and managed to control inflation.
- g Argentina's banks have frozen their customers accounts.

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As the people of Argentina followed the fortunes of their football team in the World Cup, one person who did not take his usual place in the press box was the most famous of Argentina's sports journalists, Horacio Garcia Blanco. A veteran reporter of nine world cups, Blanco was expecting to cover his 10th when his doctors told him that he needed a kidney transplant. It should not have been a problem because Blanco, 65, was a wealthy man. He had the money to pay for the operation. But there was one problem. Like millions of other Argentini-ans, Blanco's bank account has been frozen since December. Banks only have to pay out if judges rule that there are special circumstances. Blanco's case was not considered serious enough, and he was offered just 10% of his money in devalued pesos. The operation cost a lot more and Blanco died two weeks before the World Cup.

For many Argentini-ans Blanco's story is an example of what has been happening to their country over the past four years, as it has changed from a successful country into one which is collapsing economically, politically and socially. Unemployment is 25%, the economy is contracting at a rate of 15% a year, the central bank is running out of money to defend the currency, and a quarter of children are suffering from malnutrition in a country so rich in farmland that it produces enough to feed 10 times its population.

Outside the Casa Rosada, where Evita waved to the adoring crowds from the balcony, there are daily demonstrations against the Peronist president, Eduardo Duhalde. These are not demonstrations led by the young, but elderly ladies from Buenos Aires high society. Argentina's middle class is now poor and angry. Very angry indeed.

Once Argentina was a guinea-pig for free-market ideology, but now it is an example of what happens when things go badly wrong. No one imagined this would happen in the mid-90s, when the Peronist president, Carlos Menem, was praised in the West for controlling Argentina's hyper-inflation and introducing a number of market-friendly reforms. Menem abolished exchange controls, privatised large sections of Argentina's state-owned firms and opened up the country to foreign competition. He also fixed the exchange rate against the dollar at one-to-one. As a result, inflation fell from 5,000% a year in the late 1980s to almost zero in the early 90s.

But the "miracle cure" also had a negative side. One-to-one with the dollar was fine when the US Dollar was falling, as it did for the first half of the 90s, because that meant that Argentinian exports to the rest of South America and Europe were very competitive. It was a different story, however, once the dollar started to rise from 1995 onwards. Argentina also had huge debts from the time of the military dictatorship

and the democratic governments that followed.

President Duhalde now has to find a way to unfreeze bank accounts, compensate the banks for their losses, and satisfy the IMF that hyper-inflation will not return. The IMF also wants to impose some tough conditions on Argentina, including allowing foreign companies to buy bankrupt Argentinian firms. This is not popular with the Argentinian people.

"First they came for our companies and they took them away," says a poster on the doors of Bank Boston. "Then they came for our savings and they stole them. Now they are coming for our whole country. Argentina rise - now or never."

Argentina is a country rich in resources and culture. Argentinians feel humiliated. People think that the economic situation will get worse before it gets better. History suggests that the combination of a dispossessed middle class and a working class with nothing to lose is a catalyst for revolution. That is the real worry. Tragedy is not losing a football match. It is what is unfolding in Argentina now.

The Guardian Weekly 13-6-2002, page 10

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Comprehension check

Choose the best answer to these questions:

- 1 Why did Horacio Garcia Blanco die?
 - a The kidney transplant was too late.
 - b Most of his money was frozen in the bank.
 - c His condition was not considered serious enough.

- 2 How much food does Argentina produce?
 - a Enough to feed its population 10 times over.
 - b 25% less than last year.
 - c Enough to feed 10% of its population.

- 3 Who are the demonstrators outside the Casa Rosada?
 - a Young people.
 - b Old men.
 - c Old women.

- 4 What happened when Menem introduced his reforms?
 - a Inflation rose to 5,000% a year.
 - b Inflation fell to almost zero.
 - c Hyper-inflation occurred.

- 5 What happened to Argentinian exports when the US dollar was weak?
 - a They were cheaper.
 - b They were more expensive.
 - c They stopped growing.

- 6 What do the Argentinian people think of the IMF proposals?
 - a They welcome them. Why?
 - b They dislike them. Why?
 - c They have no opinion.

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Vocabulary Work – Collocations

Match the verbs in the left-hand column with the nouns they collocate with in the right-hand column

- | | |
|---------------------|---------------------|
| 1 to run out of | a a demonstration |
| 2 to suffer from | b exchange controls |
| 3 to lead | c conditions |
| 4 to control | d money |
| 5 to abolish | e debts |
| 6 to compensate for | f growth |
| 7 to impose | g malnutrition |
| 8 to finance | h inflation |
| 9 to slow | i a bank account |
| 10 to freeze | j losses |

Vocabulary work – Prepositions

Complete the sentences using an appropriate preposition

- 1 Argentina has changed from a successful country _____ an unsuccessful one.
- 2 Its economy is contracting _____ a rate of 15% a year.
- 3 The central bank is running _____ of money.
- 4 Many children are suffering _____ malnutrition.
- 5 There are many demonstrations _____ the President.
- 6 President Menem was praised _____ controlling inflation.
- 7 The President now needs to compensate the banks _____ their losses.
- 8 This is not popular _____ the Argentinian people.
- 9 The IMF may impose tough conditions _____ Argentina.
- 10 Argentina is rich _____ resources.

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Reported speech (will) – *no one imagined this would happen.*

Look at the following two sentences:

- a) *No one imagined this would happen to Argentina.*
- b) *I think the economic situation will get worse before it gets better*

Notice that the first verb in a) is the past form 'imagined' and that the first verb in b) is the present form 'think'.

In a) the speaker (writer) uses "'would' because he is reporting opinions expressed in the past. In b) the speaker is expressing an opinion held at the time of speaking. The opinion is a prediction about the future.

Fill the gaps with either 'will' or 'would'.

- 1 Tracy said she _____ be here at 5.
- 2 I think she _____ be here soon. Don't worry.
- 3 The manager _____ not be happy if you do not work harder.
- 4 The girls _____ say no if ask them.
- 5 Sergio predicted that the teacher _____ give us a test today.
- 6 Sam _____ laugh at us if he finds out.

Discussion points

Should international bodies like the IMF be allowed to interfere in the internal affairs of countries?

Should foreign companies be allowed to own businesses in your country?

If countries like Argentina produce enough food to feed 10 times their population, why are children suffering from malnutrition?

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KEY

1 3

2 g e b f d a c

3 1b; 2a; 3c; 4b; 5a; 6b

4 1d; 2g; 3a; 4h; 5b; 6j; 7c; 8e; 9f; 10i

5 1 into 2 at 3 out of 4 from 5 against 6 for 7 for 8 with 9 on 10 in

6 1 would (will is also possible in this case in spoken English especially when the act of reporting is close in time to the original comment) 2 will 3 will 4 will 5 would 6 will