

⇒ In the description of temporal events and the expression of causal relationships, the journalist's judgement emerges through the use of auxiliary verbs, with past reference and past **modal forms**. In Text 4b the journalist concludes that *15 years ago Enron could not have happened*, and explains in the article *how Enron could have happened*.

⇒ In line with much journalism, the style is colloquial and direct, making use of expressions and idioms, commonly used also in ordinary, spoken language. The headlines of all three articles reveal typical features regarding syntactic form, lexical choice, and cultural reference. This discourse area is described in detail in Appendix III.

Text 4a

FALL OF THE ARROGANT

by Madeleine Bunting

Enron's demise has discredited a vicious market ideology and given a boost to the anti-corporate cause.

It's hard to overstate the enormity of the impact of Enron's implosion. The biggest corporate collapse in US history has dragged politicians, banks, accounting firms, other corporations, pension funds, investment analysts, the reputations of business experts into an astonishing vortex where they risk losing billions of dollars and some of the most trusted reputations in corporate America.

The vision of a Darwinian dog-eat-dog market, which could be applied to everything from gas supplies and fibre-optic capability to hedging against the weather, drove Enron's political campaign for privatization and deregulation. It's pitch rested on a near fundamentalist faith in the self-regulating efficiency of the market;

true believers claimed that there were simply no limits to its application.

Most intriguingly, Enron fooled the vast majority of its employees. It boasted of hiring the brightest MBAs in America and generated a corporate culture which was intensely competitive. A turbo-charged workaholic left no room for dissent or doubt. One former executive likened Enron to the Taliban. The most astonishing piece of the puzzle is why Enron 'activists' were believed by everyone even when their balance sheet was no longer understood. In part, it was presumably greed as the share price soared 1,700% in 16 years.

The anti-corporate movement's struggle to assert that the world is not for sale – and certainly not to the casino-gambler types of

Enron – has had a massive shot in the arm from Enron's demise. With any luck, Enron has finished off a pernicious ideology that markets with minimum regulation are an effective way to organize and deliver the public interest. Instead we have witnessed how market

- capitalism can throw up an astonishing charade of greed, ambition, stupidity of even the cleverest, and irrationality.

Source: *The Guardian*, January 28, 2002:
www.guardian.co.uk

Text 4b

WHEN GREED IS FACT AND CONTROL IS FICTION

by Frank Partnoy

Enron's spectacular collapse was not an isolated financial disaster. It was symptomatic of a new culture of concealment in business and a reckless disregard for risk.

When Enron collapsed, after a decade of persistently rising markets and the longest-lived bull market since the second world war, most investors were perplexed. The conventional wisdom was that markets would remain under control, that the few bad apples would be punished and that the financial system overall was not under any serious threat. The conventional wisdom is wrong. Any appearance of control in today's financial markets is only an illusion. The relatively simple markets that financial economists had praised during the 90s as efficient and self-correcting have radically changed.

There have been three major changes in the past 15 years. First financial instruments became increasingly complex and were used to manipulate earnings and avoid regulation. Second, control and ownership of companies moved apart as even sophisticated investors could not monitor senior managers. Third, markets were deregulated.

These changes spread through financial markets like a virus.

In earlier periods, the financial watchdogs made investors feel secure about financial fraud. Yet highly-paid investment bankers were technologically primitive, without e-mail or internet. They used calculators instead of computer spreadsheets and statistical software. Investors placed orders to buy and sell stock by letter or phone, not with the click of a mouse.

Simply put, 15 years ago Enron could not have happened. It was made possible by the spread of financial innovation, derivatives trading in particular and loss of control and deregulation of the markets. Enron's shareholders lost control of the firm's managers, who in turn lost control of employees, particularly financial officers and traders. Enron operated in newly deregulated energy and derivatives markets, where participants were constrained

only by the mor

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only by the morals of the marketplace.

In sum, to the extent that Enron, its accountants and bankers were aggressive in transactions designed to inflate profits or hide losses, they weren't alone. Dozens of other companies were doing the same, and all had strong arguments that their deals were legal, even if they violated common sense. Relative to many of its peers, Enron was a profitable, well-run and law-abiding firm. That does not mean that it was a model of corporate behaviour – it obviously

was not. But it does explain how Enron could have happened. Enron's dealings were not illegal, they were *alegal*, and Enron was a big story – not in itself, but of how 15 years of changes in law and culture had converted reprehensible actions into behaviour that was outside the law and therefore seemed perfectly appropriate, given the circumstances.

Source: *The Guardian*, February 14, 2003:
www.guardian.co.uk

Text 4c

SALUTARY LESSONS PLACE ETHICS CLOSER TO THE CORE

by Martin Thompson

Recent corporate scandals have put the spotlight on ethical values in business.

In the wake of Enron, WorldCom and other corporate scandals, business schools have been quick off the mark to provide management students with popular new courses in how to sleuth for accounting irregularities. Giving MBA students added skills to nip corporate fraud in the bud is all very well, but how should business schools best impart the ethical values that business needs, if these massive scandals are to be avoided in the future?

There are forward-looking academics, including Peggy van Luyn, of the University of Bath School of Management, who believe that: 'Ethical issues should not be treated as a stand alone subject, but rather they should be incorporated into the entire

programme and way of thinking. Having said that, you cannot force businesses or individuals to behave in an ethical manner. However, you can raise their consciousness and encourage them to connect management with social, ethical and environmental responsibility'.

In the post-Enron world, this is an issue that will inevitably get hotter by the day and MBA students ignore it at their peril. After all, it has already seen some of the most powerful businesses in America brought to their knees.

Source: *The Independent*, September 24, 2002:
www.independent.co.uk

ACTIVITIES

Activities

○ Activity 1. Causes and effects

Complete the table with information contained in the first two articles about the causes of the Enron debacle and its effects. How much overlap is there between the two descriptions?

	Causes	Effects
Article 1.		
Article 2.		

○ Activity 2. Vocabulary focus

- 'Coloured' language. Which words or phrases in the articles express the journalists' judgements about Enron? Find the superlative adjectives, the vocabulary with negative meanings, and the use of strong imagery.
- Make a list of the words or expressions in the articles related to these two fields: technology and finance.
- Colloquialisms. Find the expressions and phrases in Text 4c which indicate these:

- | | | | | |
|---------|-----------------|----------------------------|-----------------|-------------|
| i) fast | ii) investigate | iii) stop at the beginning | iv) progressive | v) isolated |
| | vi) attitudes | vii) become more important | viii) defeated | |

○ Activity 3. Possibility in the past

Complete these sentences with an appropriate construction, using *would*, *should*, *could*, *may*, *might*, in their past forms.

- The Enron disaster ... (not happen) in the 1980s because circumstances were very different.
- Shareholders ... (demand) an explanation of the balance sheets even though no one understood them.
- Enron ... (not happen) if their managers had kept control of their employees.
- If Enron had survived, pensioners ... (not lose) their savings.
- American politicians ... (not be) so involved in the running of big businesses in the 1990s, because of the conflict of interests.

○ Activity 4. Discussion points

- What business scandals have hit the newspaper headlines in the last few years? Tell the stories.
- What are the dangers of over-close connections between private business, on the one hand, and political interests, on the other? Give examples from past and present events.

• Clauses to ex

- **Conjunction:**
Causes: *because*
gerund
Effects: *and*

- **Lexical iter**
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focused cult

- **Conditiona**
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- **Time claus**
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• Countable an

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• Modality in

- Possibility

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d) ... no one was
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s. In particular

there is a high frequency of specialized lexis on banking terms.

⇒ The use of the **passive voice** is also predominant because of the emphasis on the actions of lending and borrowing rather than the agent or doer of the actions.

⇒ As the article is part of a research paper, the syntax and sentence structures tend to be long and complex in parts due to the technical and scientific nature of the text type.

⇒ The text presents some verbs which report statements: *acknowledge, argue, recognise, demonstrate*. These verbs often take the *that* + object pattern. Other possible verbs which use a *that*-clause in a similar way include: *say, mention, agree, believe, consider, declare, speculate, answer, reply, report, think*.

Text 5

PATHWAYS TO SUSTAINABILITY

Can conservationist ideals within environmentalist notions of *sustainable* be married to conceptions of development and economic growth? Recent World Summits have acknowledged that:

Sustainable development calls for improving the quality of life for all of the world's people without increasing the use of our natural resources beyond the Earth's carrying capacity. It may require different actions in every region of the world, but the efforts to build a truly sustainable way of life requires the integration of action in three key areas (UN, 2002, p. 6).

These areas are identified as: 1. Economic growth and equity. 2. Conserving natural resources and the environment. 3. Social development: all members of society must be empowered to play a role in determining their fortunes.

Women are particularly at the focus of programmes and initiatives to reduce poverty and move towards environmental sustainability. Taken as a whole, women are the largest disadvantaged group throughout the world. Economic equalities are as important as legal rights. Arguably it is difficult, if not impossible, to operationalise legal and civil rights if a person does not have the economic resources to pay for shelter, food, clothing, health care and education. Sources from the UN estimate 70% of all those who live in absolute poverty (usually considered to be less than 1\$ a day) are women. The United Nations recognises that the eradication of poverty must be one of the fundamental goals of the international community, essential for sustainable development. It goes on to argue that 'the empowerment of women is a critical factor for the eradication of poverty'. This could however be seen to be a circular argument as the empowerment of women is often dependent on their financial independence. Many initiatives demonstrate that where

TEXT 5

women are able to become economically self-sufficient (e.g. micro-credit schemes) they gain the confidence to take an active part in community affairs. The Grameen Bank created for the poor households of Bangladesh is a good example of how a micro-credit scheme made available specifically to women has widespread personal, community and environmental benefits.

Source: 'Pathways to Sustainability', in *Geography*, Volume 87 (3), 2002: 189-199

Activities

○ Activity 1. Summarizing the main points

A. Choose three key words from the text which appropriately sum up the content of the text.

B. Complete the following sentences which summarize the text above.

- The last World Summit on environmental matters tried to define sustainable development as ...
- In order to globally develop in a truly sustainable way ...
- Women have a fundamental role ...
- UN sources estimate ...
- Financial independence for women ...
- A good example of an initiative taken to promote growth and development is ...

○ Activity 2. That-clauses

Combine the following *that*-clauses below as they appear in the text.

- A
- The UN (argue) that ...
 - The successful outcome of the Grameen scheme (demonstrate) that ...
 - Recent World Summits (acknowledge) that ...
 - Organisations with sustainable development as their goal (recognize) that ...

- B
- sustainable development can only come about through the integration of three key areas of growth, conservation, and social development.
 - the eradication of poverty is foremost in any goal for social progress.
 - women can become self-sufficient enough to take an active and beneficial part in community life.
 - financial independence for women is at the heart of social development and economic growth.

○ Activity 3. Passive voice review

As you read the following text, fill in the blank spaces with the passive form of the verbs from the column on the right. Remember to check whether it is the present or past tense.

The Grameen Bank

The Grameen Bank was founded by Muhammad Yunus, a Bangladeshi economist, to help the poorest of the poor in Bangladesh. The bank was created in 1976 and has since then become one of the most successful micro-credit schemes in the world. The bank's main focus is on providing small loans to women, who take jobs and start businesses. This encourages economic growth and development, which allows them to improve their living standards. The bank's success is due to its focus on women, who are often the backbone of the family. Before receiving a loan, women must first receive training in financial literacy and business management. This micro-credit scheme has been very effective in helping women to improve their economic situation and to become more active in their communities.

(Source: 'Pathways to Sustainability')

○ Activity 4. Collocation

A. The text in Activity 3. Look at the verbs in the box and match them with the nouns in the box.

- to repay
- to save
- to pay

B. See how many noun partners you can find for each verb.

a. bank

b. shark

a) Recent economic growth

The Grameen micro-credit bank

The Grameen Bank i) ... to lend money at commercial bank rates to the poorest of households who would otherwise have to rely on the usurious rates of loan sharks. It ii) ... by a professor from Chittagong University, as an experimental project in rural Chittagong, Bangladesh. It now receives its funding from the Bangladesh Central Bank, local commercial banks and international donors. Ninety four per cent of the Grameen Bank's borrowers are women, and the bank has a repayment rate of 98%. Loans iii) ... for individual projects but iv) ... only to groups of four to five women who take joint responsibility for the loan repayment, which encourages group support and unity. The loan v) ... by the groups which allows them to get involved in the community economy through regional federations. The initial loan of \$75 to \$100 vi) ... to the two neediest members of the group who must repay the loan before any other members of the group can receive a loan. The loan may be made for any purpose that vii) ... by the group and the centre chief (each centre is responsible for a number of groups). The loans viii) ... in 50 equal instalments and when this ix) ... the borrower may also apply for a larger loan. Members x) ... to save money which then xi) ... into Grameen bank shares. Before receiving a loan, group members xii) ... to undertake training which helps them manage the loan and their new business. This micro-credit scheme has found women to be the most reliable and conscientious borrowers and in addition it xiii) ... to be effective in reducing poverty, increasing children's nutritional intake and increasing the use of contraceptives.

(Source: 'Pathways to Sustainability', in *Geography*, Volume 87 (3), 2002: 189-199)

form
initiate

make,
issue

manage

make

approve

repay
repay, require,
convert
expect

find

○ Activity 4. Collocation: banking terms

A. The text in Activity 3 above contains some verb-noun partnerships common in banking: *to lend money*. Look at the verbs and nouns below and say which word does not collocate with the head-word.

- a) i) to repay ii) to issue iii) to lend iv) to receive ... a loan.
b) i) to save ii) to open iii) to close iv) to withdraw from ... a bank account.
c) i) to pay ii) to increase iii) to reduce iv) to close ... the interest rate.

B. See how many matches you can make between the words in box a. with words in box b. to form noun + noun partnerships. Then complete the sentences below with some of the words you have formed.

a. bank interest repayment loan

b. shark share loan account rate

- a) Recent economic trends have forced banks to put up their ...

ACTIVITIES

- b) We want to start up a new business so we need to ask the bank for another ...
- c) The women are like shareholders in a company, in that their money is converted into ...
- d) The Grameen bank has a successful ... of 98%.
- e) A ... is a person who lends money at very high interest rates.
- f) People who want easy access to their money usually open a ...

○ Activity 5. Discussion points

- a) Do you think the role of women can really make a difference to development in poor countries?
- b) Can you think of other ways to improve women's conditions in developing countries?
- c) What do you know about the role of women in Islamic societies?
- d) Think of a business you would like to set up. Now think of some good arguments to convince your bank manager to give you the initial capital as a bank loan.

Language and discourse

□ TEXT TYPE: TOPIC, AUDIENCE, AND PURPOSE

Visual text types: detailed information in the form of data and statistics are the basis of all economic analysis and research. These are easily produced as tables, graphs, charts and diagrams. In this way precise data on past, present and future matters can be clearly illustrated and later transferred to other forms of texts. All the important organisations for economic research and development, such as the OECD, the WTO, the UN, the IMF and the World Bank, make use of graphic instruments. Anyone who needs to write a grounded report on factual information will first need to study number-based information texts. Economic analysts, researchers and journalists find them indispensable.

□ FUNCTIONAL AREAS

⇒ Each **visual** instrument has a particular function:

- line graphs are often used to show different movements and variables on one graph;
- bar charts and pie charts are good visual tools for making comparisons;
- tables illustrate very detailed statistics which can be transferred to graphic form;
- flow charts illustrate the stages of a process.

The following section will introduce and practise nouns, verbs, prepositions, adjectives and adverbs commonly associated with interpreting graphs and describing trends.

Text 2.

WHY ITALY'S SOUTHERNERS STAY PUT

Even though they are prospering, with production up sharply in the first half of this year, many firms in northern Italy are unhappy – because they are short of labour. In the Veneto region, inland from Venice, companies poach workers from each other. Big companies threaten to move plants abroad if they cannot find local workers. So they are asking the government to admit more foreign workers.

They need around 40,000, fast. This year's quota of 63,000 entry permits for non-EU workers, known as *extracomunitari*, was filled by March. Compared with other big countries in the EU, Italy has relatively few legal immigrants from outside the Union: only 1.3m, or little more than 2% of the total population of 57m, against more than 5% in the Union as a whole. Even if you add some 300,000 illegals; the Italian figure is still much smaller, proportionately, than in northern Europe. The government, with regional bosses wanting to have a say too, seems ready to comply.

But this week the prime minister, Giuliano Amato, asked why so few Italians were coming up north to look for work from the south. There, the unemployment rate is 22%. And joblessness among southerners under 24 is rife: 55% in Sardinia, 60% in Sicily, 63% in Campania, 66% in Calabria, farther south. In Reggio Calabria, on Italy's 'toe', seven out of ten young people have no jobs.

Why do more southerners not go north? First, because they are put off by the high cost of living in places such as Milan, where the cheapest jobs barely pay the rent. When southerners went north in their thousands in the 1950s and 1960s, many employers helped them with housing. Nowadays the laws protecting tenants make landlords much less keen to let rooms cheaply to poor strangers.

A second, perhaps surprising, reason is that many young southerners feel over-qualified for the lowlier jobs on offer up north. Many southern families have invested a lot of money and hope in educating their children to a high level, and are loth to encourage them to seek jobs on building sites or in factories in the north. Many southerners think that northern employers anyway would prefer a shy, ill-paid African to an assertive young Sicilian, with a law degree.

A third reason has to do with the southern way of life. Southerners are brought up in highly protective families which cosset their young, providing them with bedroom, pocket-money, connections and mamma's cooking and love – often well into their 30s. Grandfathers often dole out part of their pensions to the family's youngsters, if they stick around. Friendships, say southerners, are warmer. So is the climate. The lure of a hard life, albeit with a job, up north is not what it was. No wonder Moroccans seem more active in the Milanese job market.

Source: *The Economist*, July 22, 2000: www.economist.com

ACTIVITIES

Activities

○ Activity 1. The main ideas

Say if the following statements are True or False, according to the text.

- a) In the Veneto region companies poach workers from each other.
- b) The total working population of Italy is 57m.
- c) Joblessness among southerners under 24 is highest in Calabria.
- d) The unemployment rate in Italy is 22%.

○ Activity 2. Compound words

The following sentences are taken from *The Economist* (Sept. 6, 2003). Complete them with the compound words in the box.

undervalued	fast food	community-based	breakdown	public-health
	middle-class	car-bomb	worldwide	

- a) McDonald's launched its first-ever ... advertising campaign. The ... chain hopes to win back diners with powerful ads.
- b) If the world is ever to achieve ... goals, many more efforts are required.
- c) The notion, now so popular in Washington, that China is pursuing a mercantilist policy based upon an ... currency is nonsense.
- d) The program officer develops and manages grants on the role of ... natural resource management in solving problems of rural poverty.
- e) The ... in Najaf has raised the spectre of revenge-killing.
- f) Raising marginal tax rates usually hits many people who regard themselves as ...
- g) Conservatives blame family ...: half of all marriages end in divorce and a third of children are born out of the wedlock.

○ Activity 3. Phrasal verbs

Connect the following phrasal verbs to their respective meanings.

bring back	bring in	bring out	put aside	put forward	put in
------------	----------	-----------	-----------	-------------	--------

- a) to leave a problem apart
- b) to introduce legislation
- c) to propose a candidate
- d) to distribute a new product
- e) to present an application
- f) to remember a name

○ Activity 4. Discussion points

- a) The following is a job advertisement published in *The Economist* (Sep. 20, 2003). Read it, discuss the skills and qualifications required, and say which type of job they are particularly suitable for.

With a good first degree, preferably with a postgraduate qualification, well-developed analytical skills and the ability to present complex ideas and information clearly, both in writing and orally, you should be willing to travel, and able to function well as part of a team. Though not essential, language skills would be an advantage. We offer highly competitive salaries, including profit share, and an excellent working environment.