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2.

MICROECONOMIC
CASE STUDIES

Language and discourse

□ TEXT TYPE: TOPIC, AUDIENCE, PURPOSE

This is an excerpt from an introduction to a textbook on microeconomic studies. The principle aim is didactic, to instruct and explain microeconomic principles in a straightforward way, presumably for undergraduates who are at an early stage in their academic studies. However, the authors use specialized lexis such as *aggregate markets* and *economic units*, which presumes the reader already has a background knowledge of the fundamentals of the subject.

□ FUNCTIONAL AREAS

As the book is targeted at a young adult population, the style and tone of the text are semi-formal. With this in mind, the authors take care to use relatively simple sentence structures to introduce basic economic concepts and underlying principles in microeconomics. Consequently the text features a great deal of explaining and clarifying of economic terms: *Microeconomics explains how and why...; microeconomics helps us to understand for example why; it reveals how.*

⇒ A verb followed by a clause beginning with a question word (*what, how, why, where*) is a common pattern in economic discourse, particularly frequent in the language functions of explaining, describing, analysing, asking and giving reasons: *In order to understand how aggregate markets work, we must first consider how consumers make their choices.* There are a number of verbs which can take this pattern: *explain, ask, clarify, understand, reveal, consider, decide, calculate, check, determine, discuss, establish, find out, imagine, know, learn, notice.*

⇒ **Semantic field:** *consumer behaviour, positive and normative analysis, equity, trade-offs, corporate bonds, goods and services, economic units* are specific economic terms.

Text 1

MICROECONOMIC PRELIMINARIES

Microeconomics deals with the behaviour of individual economic units. These units include consumers, workers, investors, land owners, business firms – in fact any individual

or entity that plays a role in the functioning of our economy. Microeconomics explains how and why these units make economic decisions; for example consumer choices are often affected by changing prices and incomes. It also explains how many workers firms decide to hire, and how workers decide where to work and how much work to do.

Another important concern of microeconomics is how economic units interact to form larger units – markets and industries. For example, it explains how automobile prices are determined, how much automobile companies invest in new factories, and how many cars are produced each year. By studying the behaviour and interaction of individual firms and consumers, microeconomics reveals how industries and markets operate and evolve, why they differ from one another and how they are affected by government policies and global economic conditions. Macroeconomics also involves the analysis of markets – the aggregate markets for goods and services, for labour, and for corporate bonds, for example. But, to understand how these aggregate markets operate, one must first understand the behaviour of the firms consumers, workers, and investors who make up these markets, i.e. *microeconomic studies*.

In economics, as in other sciences, *explanation and prediction* are based on theories used to explain observed phenomena in terms of a set of basic rules and assumptions. The theory of a firm for example begins with a simple assumption – firms try to maximize their profits. This explains how firms choose the amount of labour, capital and raw materials they use for production as well as the amount of output they produce. It also explains how these choices depend on the prices of inputs such as labour, capital and raw materials as well as the price the firm can receive for its output.

Microeconomics deals with both *positive* and *normative* questions. Positive questions have to do with explanation and prediction, normative questions with what ought to be. Suppose the US government imposes a quota on the import of foreign cars. What will happen to the price of cars and to their production and sales? What impact will this have on consumers and workers in the automobile industry? These questions are all in the realm of positive analysis, often used for prediction and planning.

Sometimes managers and policymakers want to go beyond explanation and prediction to ask questions such as ‘what is best?’. This involves normative analysis. For example, take the case of a new tax on gasoline; for policymakers, the primary issue is likely to be whether this tax is in the public interest. Hence, normative analysis is often supplemented by value judgements, i.e. weighing equity against economic efficiency. In the case of value judgements microeconomics cannot tell what the best policy is. However it can clarify the trade-offs and thereby help to illuminate and sharpen the debate.

Source: R.S. Pindyck - D.L. Rubinfeld, *Microeconomics*, New York, Macmillan New York Publishing Company, 1989: 3-8

Activities

○ Activity 1. Explaining how and why

- A) Underline the parts of the text which explain or clarify economic terms and concepts.
- B) Complete the sentences below with the appropriate verb and question word.

ACTIVITIES

to know	to ask	to explain	to calculate	how	why	whether	where
to understand	to reveal	to consider		how many	how much		

Example: Microeconomics people and companies make economic decisions.

Microeconomics *explains how* people and companies make economic decisions.

- Policymakers need workers a firm decides to hire, and work they do.
- Micro-economists help a company decides to locate itself.
- By studying consumer behaviour economists can industries operate and they differ from one another.
- Macroeconomists need consumers and firms behave at a microeconomic level before they can start aggregate markets.
- In normative analysis, policymakers make it their job to go beyond explanation and prediction questions such as new taxes are generally good or bad for the public.

○ **Activity 2. Vocabulary practice: defining economic terms**

Find the economic terms in the text to complete the following definitions.

- ... are individual people or entities which play a role in the functioning of the economy.
- ... concerns the study of the part of the economy which affects consumers and companies.
- ... involves the study of the economy as a whole, as well as the analysis of markets.
- ... is the total demand for goods and services in an economy.
- ... are the resources used by firms for production such as labour, capital and raw materials.
- ... deals with the description and analysis of economic factors.
- ... is concerned with ethics and value judgements in issues such as tax, welfare rates, and income distribution.
- ... is an exchange between two variables in order to get acceptable results, such as between short-term and long-term benefits, and balancing costs and benefits.

○ **Activity 3. Study skills: summarizing**

In order to summarize effectively, a good technique is to first identify key words in the text. After selecting key items, explain in approximately 50 words how microeconomics deals with the behaviour of people and industries.

○ **Activity 4. Discussion points**

- Which makes more news in the media, microeconomic issues or macroeconomic events?
- In which areas do microeconomics and macroeconomics overlap?
- What is the difference between positive and normative microeconomic analysis? Which do you think is more important?
- Which of the two fields in economics would you like to specialize in?

Language and discourse

□ TEXT TYPE: TOPIC, AUDIENCE AND PURPOSE

Texts 2a and 2b are extracts from a course book featuring essays, case studies and commentaries on examination questions. This emphasizes the didactic and pedagogical purpose of the book. Hence the texts are argumentative and expository, but also descriptive in the way the author draws images and pictures of how he sees the microeconomic world. In fact, the book is really a statement of the author's own personal view on microeconomic studies in a university environment and how academic institutions should really take responsibility for opening up the learner's eyes to the debatable nature of knowledge. He reflects on his own teaching and in so doing he creates a degree of empathy and affinity with the reader, whether undergraduate or lecturer. His writing is aimed at anyone who wants to familiarize him/herself with non-mainstream microeconomic thought and its application to business problems. This range of specialized audience is one of the reasons why the book is presented in a more scholarly manner, with an emphasis on original sources and academic environments, than usual traditional texts. The extracts deal with tools which advance the student's critical thinking abilities including *strategies for improving analytical skills: a guide to tackling case studies*, and the author's notes on a past exam question.

□ FUNCTIONAL AREAS

⇒ **Study skills:** the author uses a variety of **practical strategies** to help students improve their debating and problem-solving skills and at the same time to reinforce their understanding of economic analysis. The author's intention is probably to make the book a combination of text and study-guide; hence the following features are prevalent.

- The language of **advice and suggestions:** *consider, first look at, next examine, remember that*. The author signals his advice using **pointers** such as discourse markers (*first, secondly*), or numbering, with the purpose of steering the student through the steps involved in useful techniques for decision-making, problem-solving and behavioural analysis, thus developing the student's skills in how to apply those techniques to practical problems. The pointers stylistically make the text more user-friendly and help the students organize their information more effectively.
- Ordering points also improves the student's **note-taking** and **summarizing skills**.
- **Discourse markers:** linking words like conjunctions and connectors act as markers and improve the flow and cohesion of a text. They are often used in written and formal discourse to organize points, rephrase and clarify information: *first, next, more generally, in other words, finally*.

TEXT 2

⇒ **Compound adjectives:** many adjectives may be formed by putting two or more words together usually joined with a hyphen (*neo-classical*). Some combinations use prefixes and suffixes: *non-technical*, *open-minded*. In the text there are also examples of compound words acting as adjectives: *role-model material*, *problem-solving exercises*.

⇒ The author prefers an informal style to create interaction with the reader; for example the use of colloquialisms such as: *the thing is to spot the red herring*.

- It is worth noting the first line of Text 2a, *And now for something completely different*, which captures the reader's attention, like a good marketing technique and it is not by chance that the writer is also a marketing and business expert. The author feels there is a lacuna in the market for his kind of approach to microeconomics, so he has decided to meet the demand by writing the book himself.

Text 2a

THE CASE FOR A DIFFERENT MICROECONOMICS TEXT

And now for something completely different. For years I lived in the hope that someone would write the kind of microeconomics textbook I wanted; a textbook which would lead my students to analyse practical business problems in a self-reliant way and be able to write up reports and argue cases with a competence that would reflect well our University; and I wanted to train them honestly in the sense of opening their eyes to the range of thinking that exists in microeconomics. There was only one thing for it: I was going to have to write a textbook myself, a book in which I presented more than a single paradigm and in which I provided copious amounts of role-model material on strategies for tackling essay and case study problems.

Those who simultaneously teach a variety of approaches to economics seem likely to promote an awareness of different ways of thinking and a recognition that the world is a place where things are debatable – where instead of black and white there are many grey areas – and that often skill in asking questions and raising difficulties is more valuable than an ability to make swift answers. The basic ideas of neo-classical economics can be taught in quite a short space of time in a relatively non-technical manner. However, in the typical style of teaching they are done to death in an abstract way which emphasises the learning of technical set-pieces instead of the development of skills in practical problem-solving. Neo-classical problem-solving exercises involve well-defined questions in which all the ambiguities of the real world are kept out of the way via heroic assumptions about what is known about the problem area in question: if the techniques are applied correctly a particular answer inevitably drops out. The consequence of this seems to be that eco-

nomics comes to be seen by a typical commerce student as a set of diagrams to be regurgitated at examination time, not as a training in a way of thinking that will be useful after graduation to the business world. In other words, the economics they learn will be of no practical use once they have graduated. Compared with the behaviouralist/institutionalist alternative, neo-classical economics is often ill-suited for framing business problems. Students often perform dismally because they have not picked up the economic way of thinking: they fail to consider alternative possibilities.

Text 2b

STRATEGIES FOR IMPROVING ANALYTICAL SKILLS

1. A guide to tackling Case Studies

Case Studies in microeconomics can present opportunities for using quite a wide range of economic theories: the thing is to spot which one might be relevant and applicable. Here, I offer some pointers which may help towards this end.

1. Remember that every piece of information is potentially useful but that it is up to you to spot creative ways of using it: keep asking, 'What relevance could this have?'. However beware of being caught out by 'red herrings' – pieces of information that are included to see if you can distinguish core issues from peripheral ones.

2. First look for information about the product. For example, ask yourself the following questions:

- i) Is it a complicated product to use or to make? Can it be copied?
- ii) Is the product protected by a patent or controls on foreign competition?
- iii) At what stage is the product in its life-cycle? If sales are declining, ask yourself if you can foresee any new uses for it in the near future.
- iv) Is the product one which is likely to be sensitive to price competition? What extent is the firm likely to be strong or weak in the event of a price war?
- v) Does the product require complementary products? If so, are their supplies assured and are they being sold on reasonable terms?
- vi) Does its production involve any by-products? If so, then what might be done with them?
- vii) Is it essential to sell the entire product or is it wiser to sell just a replaceable component?
- viii) Can you think of anything nasty that could happen to undermine the product's position in the foreseeable future? (e.g. microchip/computer based alternatives. Or increasing environmental legislation.)

3. Next, examine the production process carefully. Ask yourself questions such as: to what extent does this product involve the firm in new production skills?

- i) Don't take the existing market as given.
- ii) More generally, on the marketing side, consider whether the product can be sold

TEXT 2

- effectively using the firm's established distribution system.
- iii) Consider all pricing and contracting arrangements.
 - iv) Finally, does the venture seem to be consistent with the firm's stated goals and general philosophy/strategy?

Source: P.E. Earl, *Microeconomics for Business and Marketing*, Edward Elgar Publishing Limited, Cheltenham, UK, 1996: xi-xiv, 16-18, 22-26

Activities

○ Activity 1. Understanding the author's message

- a) How would you describe the author's tone? Is he being critical, friendly, polemical, persuasive, sarcastic, advising, concerned, or something else?
- b) What is the author's overall message? Why did he decide to write the textbook himself?
- c) According to the author what is the basic difference between the neo-classical approach to the study of introductory economics and the behaviouristic/institutionalist method?
- d) What is the author's general advice for dealing with case studies and examination questions?

○ Activity 2. Vocabulary: compound adjectives

A. Find examples of two word-adjectives in the texts, e.g. *ill-suited*.

B. Use one word to complete each of these sets of expressions below.

- | | | |
|---------------------------|----------------------------|---------------------------|
| a) a ... - defined policy | b) a ... - reliant person | c) an open - ... lecturer |
| a ... - informed person | a ... - imposed rule | a single - ... person |
| a ... - known factor | a ... - defeating strategy | a like - ... colleague |

○ Activity 3. Giving advice and instructions

In Text 2b the author offers a lot of advice in the form of commands or suggestions, *do's*, *don'ts* and *ifs*, to make sure the reader studies a situation carefully: *keep asking*, *consider*, *ask yourself*, *don't*. The author uses ordering markers to introduce the stages in an approach to case study analysis: *first examine*, *next consider*, *finally*.

Underline all the words in the text which have the purpose of advising and ordering points.

○ Activity 4. Connecting ideas: linkers

A. The following excerpt is an example of how the author attempts to cultivate the learner's critical thinking skills in answering examination questions. The author explains why students had difficulty in answering the question. Notice the use of the words which link up his comments and criticism.

As you read complete the text with a link from the list below.

as	and	only	because	as well as	rather	such as	or
		in other words	for example	that is to say			

Exam question: Discuss the adequacy of microeconomic theories covered in your previous training (for example an Introduction to Economics course), for making sense of economic aspects of the recorded music business.

Author's comments

Most of the class failed this essay outright a) ... they took the question as an invitation to show they could regurgitate basic economic ideas they had grasped in earlier studies. This tended to involve diagrams showing price and quantity determination for CDs – or indifference diagrams b) ... expositions of marginal utility theory. What the vast majority of the class conspicuously failed to do was to focus, right from the outset, on how they would size up the adequacy of their introductory economic analysis in this context. c) ..., they did not specify criteria such as: Does it offer predictions that fit the facts? d) ... is it a means to explain what is going on in this market? e) ... the students were not focusing on appraising theories, they failed to be very critical. Take f) ... the idea of diminishing marginal utility, and some of the peculiarities of recorded music products and the behavioural analysis of consumer choice, g) ... the relevance of supply and demand theory for explaining prices in this industry.

There are many other points that could be made in respect of whether introductory textbook economics helps us make sense of or anticipate events in this industry. h) ..., to learn a lot it may be necessary to cultivate skills in asking new questions, i) ... than focusing on finding answers j) ... to existing questions that other people (or other bodies of thought – k) ... introductory economic theory) have focused upon.

B. In the context of the previous passage, identify the function of each linker according to the following categories. Example: *because* belongs to the category of *cause*.

addition	rephrasing	contrast	cause	restriction	exemplification
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○ **Activity 5. Discussion points**

- How is microeconomics taught at your university?
- Is there a balance between theory and practice in your economics courses?
- What changes would you like to see in your academic courses?

Language and discourse

TEXT TYPE: TOPIC, AUDIENCE AND PURPOSE

In Text 3a, the author uses case study questions as an effective pedagogical tool for teaching problem-solving skills, so putting theory into practice. In this excerpt, the author explores the success story of McDonald's as a case study in franchising economics, an example of how to go international and succeed.

Text 3b, on the contrary, presents a more updated review of McDonald's economics.

In fact, latest research data suggest McDonald's is currently losing its market. The extract comes from a weekly periodical dealing with current affairs in social, economic, cultural and political contexts. The periodical is aimed at a readership, inexperienced in the field of marketing and economics, but interested in current issues in a global context. The text is both argumentative and informative in that the author presents numbers and statistics to support his argument. The authors subtly suggest that the real reason for failure could be that America is losing its geopolitical edge and global empire as the world grows tired of the all-American culture.

□ FUNCTIONAL AREAS

In Text 3a the language is more complex because of the specific terminology used to describe the dynamics of franchising in the field of marketing: *turnover-based royalty, distributions system*. Semantic areas reveal how the author presumes the reader has prior knowledge of the meaning of specific economic terms and register: *marginal utility, behaviouralist/institutionalist economics*. On the other hand, Text 3b, in contrast to highly specialized discourse, presents a more colloquial, informal register. There is a high frequency of colloquial **phrasal verbs**; *to run up against, to spring up, to trip up*, and **idioms, colloquialisms** and **fixed expressions** such as: *been there done that; has the juggernaut maxed out?; losing its business touch; fat royalties*.

⇒ **Phrasal verbs** give a more informal tone to a text. This type of verb is usually made up of the main verb + one or two prepositions or adverbs. The addition of the preposition often changes the meaning of the verb and can give the phrasal verb more than one meaning: *to run up* = to increase, *share prices run up*, or *to run up against* = to meet difficulties. Notice the frequent reoccurrence in Text 3b of the adverb and preposition *up*: *sprang up, tripped up, run up against*. Other examples of phrasal verbs in the text are: *turn out, fit in, stand out from*.

- **Economic processes** frequently make use of phrasal verbs to describe economic trends, particularly in the area of debts, recession and takeovers: *going for up-front profits*.
- Both texts present examples of **phrasal nouns** which frequently occur in the language of business and economics: *a turnaround, an outlet, a turnover, a start-up, a backlash*.

⇒ Idioms, colloquialisms and collocations

An idiom is an expression in which the words taken together mean something different from the individual words when they stand alone: *take a slice of the fortune*. Some idioms are regular and logical in their grammar and vocabulary: *business is business, business as usual*.

- Sometimes idioms are **colloquialisms**, expressions used in informal speech: *been there and done that, maxed out*.
- Text 3b presents a number of **fixed collocations**, words which often go together in the semantic field of business and economics: *entrepreneurial flair, saturated market, slow the pace of, fat royalties, quarterly loss, stiff competition, rite of passage*.

Text 3a

FRANCHISING: A CASE STUDY OF MCDONALD'S ECONOMICS

Franchising is an increasingly popular risk-free business strategy of getting started in a business of your own. A successful franchise arrangement ensures that whichever branch a consumer happens to visit, the quality of the product and standard of service can be taken for guaranteed. McDonald's is the most famous example; others include Benetton, the Body Shop, Coca-Cola, Avis.

The statistics for McDonald's are quite staggering: the chain captures 17 per cent of all restaurant visitors in the US, and 7.3 per cent of all money spent by Americans eating out, is the largest US purchaser of beef, and purchases 7.5 per cent of the entire US potato crop of the US outlets, spending \$4000 million a year on promotion, and as much as \$3 million on research and development.

The terms and policing of the contract, as much as the nature of the product, determine how well a franchising operation operates. Quality control is the most important thing to be able to ensure, as a bad experience in one McDonald outlet may lead a consumer to boycott every one s/he encounters. If high demand and low costs were assured there would be a risk that franchisees might be tempted to take a 'quiet life' attitude to their activities, ignoring the fact that a few lost sales to them could have many damaging repercussions elsewhere.

Ray Kroc, who masterminded the McDonald system in 1955, believed that the best way for a franchiser to make a lot of money was to find ways of enabling the franchisees to make their own fortunes and then take a slice of this in the form of a turnover-based royalty. Instead of going for quick up-front profits, Kroc decided to look towards the long-term potential of the market. The incentive was to be provided by charging only a small initial fee, with the bulk of earnings to come from a percentage of sales levy. The McDonald's contract is cunningly designed so that its franchisees do not feel they are being exploited. The amount of rent they have to pay depends on how well they are doing. Anything which helps sales helps rental earnings.

While its fees were low, the degree of control McDonald's had over franchisees was unprecedented. To make the company stand out from its rivals, Kroc ensured that its standards of product quality and service uniformity reached new heights, by specifying in great detail how a franchise was to run and by monitoring operations; the modern manual runs to over 600 pages.

With overseas expansion, standardization became more difficult to enforce at arm's length. Operators found it a struggle to persuade locals that American tastes were the thing to have. However McDonald's always took the view that if they changed to fit in with the local cuisine they would lose their identity. Therefore they sought over the long run to bring their overseas partners around to their way of thinking. As it turns out they have actually been more successful at changing local eating habits than changing their menus to fit in with existing ones.

Source: Peter E. Earl, *Microeconomics for Business and Marketing*, Edward Elgar Publishing Limited, Cheltenham, UK, 1996: 352-357

Text 3b

MIGHTY MCDONALD'S - THE EPITOME OF PAX AMERICANA

by John Ghazvinian and Karen Lowery Miller

Lately the multinational giant has stumbled. Here's why.

As a symbol of American conquest, it's easy to forget how McDonald's was first received overseas. Back in 1974, Britons queued for hours at a Mickey D opening. When the Golden Arches sprang up in Moscow not long after the fall of the Berlin wall, they were celebrated as a sign of liberation.

What to make then of McDonald's recent warning to Wall Street, when it announced that it will post its first quarterly loss in 37 years as a public company? Or its plans to slow the pace of expansion, closing 175 stores (after shutting 163 in 2001), – the first significant closing in its history? For much of the past decade, McDonald's has been the quintessential high-growth multinational, vaulting from success to success and building a uniquely American empire. Along the way it has become a model for entrepreneurial success.

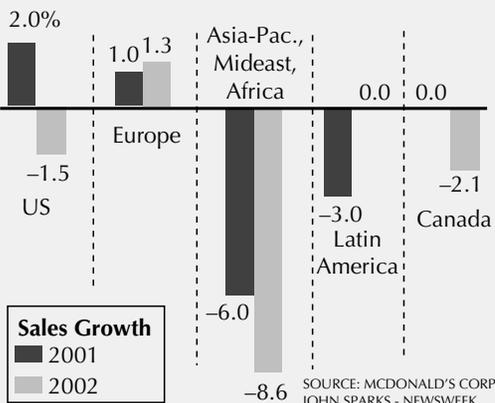
Has the juggernaut maxed out? McDonald's execs say not, noting the company's plans to add 300 new restaurants next year to the 6,000 already in place in Europe. Still there's no question that the troubled financials represent a striking turnaround for a proud company that's long been synonymous with Pax Americana. It's tempting to suspect that the company's problems might reflect a broader geopolitical backlash against the US and its global culture. But according to the experts that's not what's hobbling McDonald's today. To a surprising degree the corporation has been tripped up by its own mistakes. 'This is not about protesters', says Prof. Alan Rugman, 'The company is in trouble because its business model is out of date'.

What a comeuppance for a firm that's been counted among the savviest of them all. McDonald's has been obsessed with rapid growth since its inception in 1955, earning steady rent and fat royalties from franchisees, while enforcing rigid standards for quality and cleanliness. As competition grew stiffer at home, the company increasingly turned overseas in the 1990s, opening 2,000 restaurants globally in 1996, the peak year of expansion. But now the US market seems saturated, and McDonald's has expanded too fast in nations where too few people can afford a 1\$ hamburger; critics say the corporation has lost the vision and entrepreneurial flair of founder Kroc, who died in 1984.

A decade ago getting one's first set of Golden Arches was like a rite of passage, marking a nation's entry into the world of wealth; but in many markets, even in the developing

Is McDonald's McDOne?

The fast-food giant has grown rapidly. But do weak sales mean the world has eaten its fill?



world, the attitude these days is 'been there, done that Happy Meal'. The company in fact may be running up against a once unthinkable possibility: the world may have enough McDonald's outlets. However the company's fortunes may rise somewhat as developing countries grow richer, but the truth is no one talks about McWorld anymore.

Source: *Newsweek*, Jan 20th 2003: 17-18

Activities

○ Activity 1. Understanding details

A. From the information in Text 3a on the expansion of the McDonald's empire, mark the factors below as True or False.

- a) A franchising firm benefits from great purchasing economics which the mother company does on behalf of its franchisee.
- b) McDonald's allows each outlet to establish its own standard of quality control.
- c) Franchisees have to pay a fixed amount of rent regardless of earnings.
- d) McDonald's established a high initial fee to ensure quick short-term profits.
- e) McDonald's enforced strict rules to ensure international standardisation.
- f) McDonald's encouraged local eating habits and local billboard signs.

B. The author uses McDonald's as an example of successful international expansion (Text 3a). What factors does he highlight as important in the marketing economics of franchising?

○ Activity 2. Vocabulary: semantic fields

Write down all the words in Text 3a which can be listed under the heading *franchising*, e.g. *franchisee*, *branch*.

○ Activity 3. Vocabulary: inferring from context

With reference to Text 3b, find words or expressions which have a similar meaning to these below:

- a) come into existence very quickly b) results announced every three months
- c) perfect/brilliant d) continually moving into higher positions e) enormous company
- f) expanded to its maximum g) change of position h) reaction/revolt
- i) stopping growth j) obsolete k) punishment l) skilful m) large amounts of money
- n) franchisee o) business ability p) habit/custom q) encounter difficulties

ACTIVITIES
○ Activity 4. Phrasal verbs with *run* and *turn*
A. *run*

The diagram illustrates some useful phrases formed with *to run*. Complete the sentences in order to find an appropriate meaning of the phrasal verb. Use the correct form of the verb.

<p>up to off to run for into up against through out of</p>	<p>a) Unfortunately business is bad, we have recently ... unexpected difficulties. b) The country has declared that it ... oil, its only natural resource. c) The manager admitted the takeover would increase the risk of ... financial difficulties. d) Mr. Jones has decided he ... president of the company. e) We ... the agenda before the meeting. f) The company ... debts of thousands of euros each week. g) The damages could ... over one billion euros. h) They ... several copies of the report for the other members to see.</p>
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B. *turn*

Match the phrasal verb on the left with a definition on the right.

<p>over out around/round to turn down into away over to</p>	<p>a) to make a business that has been having difficulties successful again b) to refuse an offer or request c) to produce or make a lot of products d) to put someone in charge of a business e) to make a certain amount of money in a particular time f) to become g) to reject/refuse</p>
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○ Activity 6. Discussion points

- Can you think of any other examples of successful franchising companies? Or failures? Consider Onyx and Fiorucci, for example.
- Would you be interested in franchise marketing? In which business?
- Are there enough government incentives encouraging business start-ups?
- What is your opinion on franchising companies with a bad reputation for business ethics and social responsibility? Take Nike, for example.
- Imagine you need to develop a marketing strategy to increase sales at a McDonald's outlet. What can be done? Or choose another company/product which you think needs to boost their marketing strategies.

Language and discourse

□ TEXT TYPE: TOPIC, AUDIENCE, PURPOSE

This is a newspaper article from an American quality newspaper, *The Wall Street Journal*. The audience is the general public and the non-specialized reader who wants to know more about business and marketing trends. The names Heineken and Corona are eye-catchers especially for younger adult readers; the original article was also printed with coloured graphics to make it more appealing to read. The author presents statistics and practical information on how to win an advertising campaign, it can thus be considered both informative and argumentative.

□ FUNCTIONAL AREAS

The author uses specific **marketing lexis** alongside economic terms: *cache*, *long-term investments*. Furthermore, the author probably has in mind a young audience in the way he uses modern 'fad' words which describe the young adult population, such as *yuppies*, *drinkers*, *hip-hop*.

⇒ The style and tone tend to be informal, and obviously characterised by **American language features**, notably word spelling variations: *barbor* (Am) v. *barbour* (BrE), *favor* (AmE) v. *favour* (BrE), *liter* (AmE) v. *litre* (BrE). There are no great differences in written texts between American and British English; nevertheless some are worth noting, especially lexical variations in common words and their British equivalents: *gasoline* (AmE) and *petrol* (BrE), *vacation* (AmE) and *holiday* (BrE).

⇒ As the text discusses recent marketing trends, there is frequent use of the **present perfect** and the **present perfect continuous** tense to talk about the impact of marketing and promotional strategies over the last few years in terms of their current significance. Hence the use of the time expressions which introduce these tense formations: *over the past few years*.

- We use the present perfect continuous to focus on an activity which started in the past and has been in progress over a period of time until now: *Heineken has been trying to catch up with Corona over the last three years*.

Text 4

CASE STUDY: HEINEKEN THIRSTS TO BE NO.1 IN THE US

by Dan Bilefsky

Brewer steps up marketing to younger drinkers in bid to pass Corona on imports.

Can Heineken, the first foreign beer drunk by Americans after the end of Prohibition, regain its cache as America's favourite international brew?

The Dutch brewer, which grew to become the No.1 US import beer after the first crate arrived in New York Harbor in 1894, has slipped to second place behind Grupo Modelo SA's Corona of Mexico. Over the last three years, Heineken has been trying to catch up, spending on average roughly \$51 million (43 million euro) annually on marketing, ranging from promotional efforts in films to a recent advertisement in which popular hip-hop artist Jay-Z turns down bottles of expensive champagne in favor of a refrigerator stocked with Heineken.

Yet, Grupo Modelo, which has spent on average about \$35 million annually to promote Corona in the US during that period, still sells more beer which is often drunk from the bottle with a slice of lime. Heineken faces a challenge to unseat Corona, industry analysts said. US beer consumption has been stagnant over the past few years, and brewers in general have been struggling to woo new drinkers. Corona, which has about 29% of the US imported-beer market, compared with Heineken's 19%, also has greater appeal with Hispanic Americans, who are among the fastest-growing segment of beer drinkers in the US 'Heineken remains very popular, but Americans typically prefer Corona because it is a lighter beer that they find more drinkable', said Frank Walters, at Impact Databank Research. He adds that the lime or lemon that bartenders put in a bottle of Corona also has made it very appealing for female drinkers.



The US, the world's biggest beer market, is Heineken's most important market, accounting for about 500 million liters of the 2.2 billion liters of beer it sold world-wide in 2001 (or about one quarter of the company's 2002 income of 795 million euro). Frans van der Minne, president of Heineken US, said that Heineken is constantly trying to keep the brand relevant. Over the last few years, the company had launched the sleek deg can – in order to appeal to urban, yuppie drinkers between the ages of 21 and 30, prized by global brewers. And it has expanded its sponsorship of youth-oriented entertainment events such as Latin-American music concerts – to reach out to Hispanic American beer drinkers. One Heineken television commercial is modelled on 'The Matrix Reloaded' film. The aim is to chop a decade off the average age of the typical Heineken drinker.

Although the weak US dollar and the drop in beer consumption since Sept. 11 2001 are hurting sales, the US marketing drive is part of a global strategy to raise Heineken's profile. Recently, Heineken bought Austrian BBAG for 1.9 billion euro, propelling it to the No.1 position in Central Europe, just as several countries in the region are set to join the European Union. Heineken's executives argue that it is a canny long-term investment. As these countries join the EU and prosper, Heineken will be well located to benefit from having a big army of brands in the region.

Source: *The Wall Street Journal*, Vol. XXI, No. 79, Monday, May 26, 2003: A1-A2

Activities

○ Activity 1. Comparing past and present

A. Compare the use of tenses in the following sentences. Say which tenses are used and why.

- In 2001, Heineken sold 500 million litres to the US, Heineken's biggest beer market.
- Heineken arrived in New York in 1894 and grew to become the No.1 US import beer.
- However, Heineken has recently slipped to second place behind Corona.
- Over the last three years, Heineken has been trying to catch up with Corona.
- Over the past few years US beer consumption has been stagnant.
- Brewers in general during this period have been struggling to win new drinkers.
- Corona is a lighter beer and bartenders have made it more appealing with a slice of lime or lemon in the bottle.

B. Time words

Underline all the time expressions in the text. Then divide them and say whether they refer to the simple past or present perfect.

○ Activity 2.

Complete the following text with the correct form of the verb in brackets.

Over the last three years, Heineken a) ... (lose) its market leader prominence in the US import beer market. Its chief rival Corona of Mexico, over this same period, b) ... (spend) an average of \$35 million dollars annually to promote its lighter beer as a more appealing alternative. Data reveal that Corona's promotional efforts c) ... (manage) recently to success-

ACTIVITIES

fully capture the younger age group of drinkers between 21-30, which also include a large portion of female drinkers. Last year, in response to the fierce competition, Heineken d) ... (decide) on a number of strategic marketing moves. It e) ... (expand) lately its sponsorship of entertainment events such as Latin American concerts and it f) ... (step up) also its advertising campaign in films and on TV. Not long ago Heineken g) ... (make) another international move and h) ... (put) itself in a key position for the European beer market by buying a famous Austrian brewer company.

○ **Activity 3. Vocabulary: ways of marketing**

How many ways of marketing are mentioned in the text? Underline the parts of the text which talk about marketing methods. Then match the different forms of marketing mentioned below with its advantage or disadvantage.

- | | |
|--|--|
| <ul style="list-style-type: none"> i) web marketing ii) TV advertising iii) sponsorship iv) film appearance v) print advertising vi) hoardings vii) direct mail | <ul style="list-style-type: none"> a) This can be expensive because of the printing and catchy advertisements. You also need a magazine with the right audience. b) The event needs to be big. A small event means little publicity. c) This is quite cheap but good promotional leaflets are costly. d) This reaches a global audience but technological expertise is needed for the preparation and maintenance which can prove costly. e) This is inexpensive, but you need to be well positioned e.g. city centre. f) This is expensive but it can reach a huge audience. g) This is very expensive but a popular film or actor/ess can make a great difference to sales. |
|--|--|

○ **Activity 4. Information transfer**

Complete the information in the box below to compare Heineken's and Corona's promotional marketing strategies.

	Heineken	Corona
Appeal TV/Film/Sponsorship % of US imported beer Annual promotional expenditure European market		

○ **Activity 5. Discussion points**

Imagine you are responsible for planning the promotional marketing plan for one of the following: a new mobile telephone, a new drink, a new magazine, your new company, a new brand of jeans, an old brand of jeans which has lost its market. Or choose another product you would like to launch or relaunch on the market.

As you discuss the plan think about the following: Why is your product special? Who is the potential customer? What tools/methods are you going to use to reach the market?

Language summary

• Phrasal verbs in economic discourse

Phrasal verbs are usually made up of the main verb + one or two prepositions or adverbs (also known as **multi-word verbs**). The addition of the preposition often changes the meaning of the verb and can give the phrasal verb more than one definition. For example: *to drop off* = to decrease; *sales dropped off because of competition*. To drop off = to fall asleep; *I was just dropping off when the phone rang*.

- **Economic discourse** makes use of phrasal verbs to describe economic processes and trends, particularly in the area of debts, recession and takeovers. Here are just a few examples, but there are hundreds of phrasal verbs in the English language and whole books have been written about them: *cut back on: they need to cut back on expenses to lower costs*; *to put up: funds have been put up to get the business out of financial trouble*; *level off: sales have recently levelled off after a period of growth*.
- In economics and business there are many examples of phrasal verb combinations which often act as phrasal nouns: *a trade-off, an output, a bail-out, a payback*.
- There are many phrasal verbs which have become **idiomatic** or **fixed expressions**: *to look someone in the eye, to turn the tables on someone, to go halves with, to go off the deep end*.

• Idioms, colloquialisms and collocations

An idiom is a group of words which taken together have a different meaning from the one they would have if you took each word separately: *a dead-end job, to climb on the band wagon*.

- Some idioms can appear odd or even grammatically incorrect: *to be at large, a close shave, to be at a loose end, forty winks*. This can make it difficult to guess their meaning because they have no association with the original meaning.

On the other hand, some idioms are regular and logical in their grammar and vocabulary: *to reach a turning-point, to work overtime*.

- Idioms are sometimes **colloquialisms**, expressions used in informal speech: *been there and done that, hit the nail on the head*.
- Fixed **collocations** are words which often go together. Take for example the semantic field of business and economics: *trade barriers, quality control, marketing mix*.
- Idiomatic expressions which are joined by the word *and* (or another conjunction), and usually have a particular sound pattern are called **binomials**: *come and go, up and down, back and forth, black and white, pros and cons*.

• Present Perfect Continuous

- We use the **present perfect continuous** to focus on an activity which started in

LANGUAGE SUMMARY

the past and is still continuing now: *Over the past few years, Corona has been looking for new drinkers.*

- Sometimes it will depend on the context whether the activity is finished or not: *We've been planning this project for two years* (it's still not ready); *I'm really tired, I've been studying all day* (we don't really know whether the activity is finished or not).
- The present perfect continuous can express the present result of recent activities: *What have you been doing? I've been working on the computer all day.*
- The present perfect continuous expresses the continuous nature of an action: *I've been working here for 22 years.* But it can also imply a temporary situation: *I've been living in Rome for the past few months.*
- The present perfect continuous is used to speak about repeated actions, e.g. *I've been working late recently; I've been skiing a lot because there is so much snow.*
- There are state verbs which rarely take the continuous form: e.g. *I've known that company for a long time. They have always believed in the project.*

2.

EUROPEAN ISSUES AND PERSPECTIVES

European Union Enlargement Day celebrations

Since 1 May 2004, large parts of Eastern and Western Europe are united in peace and democracy as the EU expands to 25 Member States. Ten new countries have joined the European Union – Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, the Slovak Republic and Slovenia. Numerous events, organised by the European Institutions, EU Governments and the private sector, took place across Europe to mark the historic Enlargement.

«May 1st 2004 is an historic day for Europe, when we welcome into the EU family 10 new member countries and 75 million new EU citizens. Five decades after our great project of European integration began, the divisions of the Cold War are gone – once and for all’, said Romano Prodi, European Commission President. ‘Our new members bring to the Union the cultures and diversity of 10 countries with distinct historical roots stretching back through the centuries. The people of Europe are celebrating EU enlargement in a series of cultural events from the west coast of Ireland to the eastern border of Poland, and from Valletta in the south to the northernmost tip of Finland. Europeans are celebrating the fact that they are no longer kept apart by artificial ideological barriers. We share the same destiny and we are stronger when we act together. United in diversity, we can work more effectively for safety and prosperity for all. As Prime Minister Ahern said recently in Prague: ‘Enlargement is about opening minds as well as borders’. I urge all Europeans to join in the celebrations of this astonishing achievement».



Language and discourse

□ TEXT TYPE: TOPIC, AUDIENCE AND PURPOSE

Tony Blair's speech is an example of contemporary communication in the field of politics. The language of politics is typically argumentative and persuasive, as can be detected at a semantic as well as at a textual layer. This is not the place to discuss the features of political discourse as a sum of verbal actions and communicative strategies occurring in different political situations and contexts. We are only considering this piece as an excellent sample for its linguistic choices and techniques of expressions. However, the language of political discourse is controversial.

Language abuse

In his essay *Politics and the English Language* (1946), George Orwell underlines some aspects of the political discourse features which, in his view, have contributed to a large extent to the 'bad' use of the language:

- the use of metaphors without knowledge of their true meaning: *Achilles' heel, hotbed*;
- the use of phrases instead of a single word: *have the effect of, serve the purpose of, exhibit a tendency to*;
- the use of a pretentious diction in which words dress up simple statements and give an air of scientific impartiality to biased judgements: *epoch-making*;
- the overuse of some words, such as *democracy, freedom, justice*: they have several meanings which cannot be reconciled with one another, and also continual repetition renders such words eventually meaningless.
- George Orwell considers some phrases to be the 'temptation' for politicians: *a not unjustifiable assumption, it leaves much to be desired, a consideration which we should do well to bear in mind*.

□ FUNCTIONAL AREAS

⇒ Simplification of political language

Nowadays, although a speech delivered in Parliament cannot have the same features as a speech delivered during an election rally, the trend is towards a progressive simplification of communicative acts.

In Tony Blair's speech we can note:

- short, clear sentences; the use of positive words: *confidence, consensus, democracy*; the frequent use of non-negative statements: *Nations recognise that challenges have to be met collectively*;
- the repetition of key words: *history, strength*; the use of synonyms to reinforce the same concept: *a sense of fairness, of equality, of partnership*;
- the use of questions to introduce the next concept: *What is the nature of the world in which these strengths can be developed? What does all this mean?*;

TEXT 1

- the use of abbreviations familiar to the discourse community: *FCO*, *WTO*, *WMD*, *DfID*;
- the use of emphatic expressions: *I do believe*; *Here's where Britain's place lies*; *Britain must be at the centre of Europe*;
- the use of listing: relevant concepts are expressed in a list which the audience can easily understand (see paragraphs 2, 7 and 8). Sometimes a priority list is implied: concepts which are considered more important come first.

⇒ **Restrictive meaning**

Only has a restrictive meaning, it combines negative meaning with the idea of exception. *Just*, *merely* and *simply* have a similar meaning. *Even* implies either a contrast or a surprise. In writing, the focusing adverbs *only* and *even* are often collocated before the focused element: *The consensus can only be achieved if pursued with a sense of fairness, of equality, of partnership*; *This is not a time for British caution or even British reserve, still less for a retreat into isolation on the basis of some misguided view of patriotism*.

⇒ **Need – Must**

Need expresses **necessity** and can be used as a transitive verb, followed by a noun, or by an infinitive with *to*: *The world and many countries in it need to change*.

Must expresses **obligation**, but also intentions, deductions and logical necessity: *That must include, provided the economic conditions are right, membership of the single currency*.

Text 1

TONY BLAIR'S SPEECH

The Prime Minister's address to British ambassadors in London – Tuesday, January 7, 2003.

A country always has to know its place in the world. For Britain this is of special importance. At the end of the 19th century we were an imperial power. A century later the empire was gone. Naturally, and despite the pride of our victory in World War Two, our definition seemed less certain. Our change in circumstances affected our confidence and self-belief. Yet today I have no doubt what our place is and how we should use it.

What are our strengths? Part of the EU; and G8; permanent members of the UN security council; the closest ally of the US; our brilliant armed forces; membership of Nato; the reach given by our past; the Commonwealth; the links with Japan, China, Russia and ties of history with virtually every nation in Asia and Latin America; our diplomacy – I do believe

our foreign service is the best there is; our language.

What is the nature of the world in which these strengths can be deployed? The world has never been more interdependent. Economic and security shocks spread like contagion. I learned this graphically in the 1998 financial crisis; everyone knows it after September 11. Nations recognise more than ever before that the challenges have to be met in part, at least, collectively. Also culture and communication driven by technological revolution are deepening the sense of a global community. Look at the FCO [Foreign Office] strategic goals you set out in your paper. Each of them has a direct domestic impact. Yet each of them – whether free trade through the WTO [World Trade Organization], combating climate change or the threats to our security – can only be overcome by collaboration across national frontiers.

Fundamentalist political ideology now seem an aberration of the 20th century. But religious extremism through the misinterpretation of Islam is a danger all over the world, not because it is supported by large numbers of ordinary people but because it can be manipulated by small numbers of fanatics to distort the lives of ordinary people. As the FCO points out in another paper, wars between nations seem less likely – at least outside of the continent of Africa – but flashpoints remain and in any event, the crucial thing is that no conflict we can contemplate can possibly remain localised.

What does all this mean? It means that the world has one overriding common interest: to make progress with order; to ensure that change is accompanied by stability. The common threat is chaos. That threat can come from terrorism, producing a train of events that pits nations against each other. It can come through irresponsible and repressive states gaining access to WMD [weapons of mass destruction]. It can come through the world splitting into rival poles of power; the US in one corner; anti-US forces in another. It can come from pent-up feelings of injustice and alienation, from the divisions between the world's richer and its poorer nations. The threat is not change. The world and many countries in it need to change. It is change through disorder, because then the consequences of change cannot be managed.

This has been understood, at least inchoately, ever since the fall of the Berlin Wall. Then the call was for the new world order. But a new order presumes a new consensus. It presumes a shared agenda and a global partnership to do it.

Here's where Britain's place lies. We can only play a part in helping this – to suggest more would be grandiose and absurd – but it is an important part. Our very strengths, our history equip us to play a role as a unifier around a consensus for achieving both our goals and those of the wider world.

Stating our aims is relatively easy and they would be shared by many other countries: security from terrorism and WMD; elimination of regional conflicts that can affect us; a stable world economy; free trade; action against climate change; aid and development.

Britain must be at the centre of Europe. By 2004, the EU will consist of 25 nations. In time others including Turkey will join. It will be the largest market in the world. It will be the most integrated political union between nations. It will only grow in power. To separate ourselves from it would be madness. If we are in, we should be in whole-heartedly. That must include, provided the economic conditions are right, membership of the single currency. For 50 years we have hesitated over Europe. It has never profited us. And there is no greater error in international politics than to believe that strong in Europe means weaker with the US. The roles reinforce each other. What is more there can be no international consensus unless Europe and the US stand together. Whenever they are divided, the forces of progress, the values of liberty and democracy, the requirements of security and peace, suffer. We can indeed help to be a bridge between the US and Europe and such understanding is always needed. Europe should partner the US not be its rival.

TEXT 1

Our history is a strength, provided we lose any lingering traces of imperial arrogance and recognise countries will only work with us as equals. For many of those countries [former colonies], our relations today are being transformed, with DfID [Department for International Development] helping to give us a relationship of equality, trust and partnership.

The Middle East peace process remains essential to any understanding with the Muslim and the Arab world. Again Britain, with its understanding of the Arab world and its tradition of religious tolerance, can help.

In the end, all these things come back to one basic theme. The values we stand for: freedom, human rights, the rule of law, democracy, all are universal values. Given a chance, the world over, people want them. But they have to be pursued alongside another value: justice, the belief in opportunity for all. Without justice, the values I describe can be portrayed as 'Western values'; globalisation becomes a battering ram for Western commerce and culture; the order we want is seen by much of the world as 'their' order not 'ours'.

The consensus can only be achieved if pursued with a sense of fairness, of equality, of partnership. Our role is to use all the strengths of our history, unique in their breadth for a country our size, to unify nations around that consensus.

One last thing we, Britain, need: confidence in ourselves.

This is not a time for British caution or even British reserve, still less for a retreat into isolation on the basis of some misguided view of patriotism. This is a time for us to be out in front; engaged; open; creative; willing to take bold decision. All it needs is courage and confidence. Now is the moment to make our future as exciting in impact, if different in character, as our history.

Source: <http://politics.guardian.co.uk>

Activities

○ Activity 1. *Even*

Even can be an adverb, an adjective and a verb. Check a dictionary and write sentences using *even* with its different functions. Examples:

- Local people are treated *even* more harshly than foreigners. (adv.)
- Governments should encourage a more *even* distribution of wealth. (adj.)
- Relative rates of house price inflation *have evened out* across the country. (v.)

○ Activity 2. Focus phrases with *only* and *even*

Complete the following sentences using either *only* or *even*.

- He didn't ... hear what I said.
- ... the President could authorize the use of the atomic bomb.
- A business can ... be expanded on a sound financial base.
- The Bank of England insists that it will cut interest rates ... when it is ready.

- e) San Paolo is a huge city, larger ... than New York.
 f) Moving into an entirely new market is risky, ... for a giant such as Nokia.

○ **Activity 3. Need – Must**

Complete the following sentences taken from *The Economist* (Sep. 20th 2003) using the appropriate form of *need/need to* and *must*.

- a) It is true that Europe ... new rules if the EU is to function at all after the admission of ten new members.
 b) The Corporation [BBC] ... have been dreading this week.
 c) Some acknowledge that, over time, the deficit may ... shrink, but reckon that in large liquid global capital markets, any adjustment will be gradual and benign.
 d) Doctor visits ... be paid by patients.

○ **Activity 4. Discussion points**

- a) How can Great Britain rethink its position in a world of changing geo-political realignment and flux?
 b) *The world has never been more interdependent.* Comment on this statement giving examples.
 c) *Britain must be at the centre of Europe. This is not a time for British caution or even British reserve, still less for a retreat into isolation.* To what extent do you think that the British population agrees with Mr. Blair's views?

Language and discourse

TEXT TYPE: TOPIC, AUDIENCE AND PURPOSE

The following text is an interview concerning the present and future of the EU. A strong feeling of belonging to the Union is communicated: *we Europeans* is repeated several times and the reference to common traditions among European national states is a leitmotiv. The interviewee (Giuliano Amato) declares himself to be 'an integrationist' and we may assume that he uses his reputation and political prestige to have an impact on the audience. Another fundamental topic discussed in this interview is the role and functioning of European institutions: as a politician involved in the Convention, Giuliano Amato is interested in affirming the need to give Europe sound regulations and he also wants to make European citizens aware of this urgency.

FUNCTIONAL AREAS

Examining an interview and comparing it with the questionnaire (see chapter 1 in this section), it is evident that questioning techniques vary from one situation to another and have different objectives. A question may admit a set of answers during

TEXT 2

an interview, but the expression *the answer* usually means *the right answer*, as in the questionnaire. A *response* is a form of answer in which extra information, not necessarily called for in the question, is given.

⇒ Questioning techniques

Questions can be construed in different ways, reflecting different communicative intentions:

- *Biased questions* are those asked to confirm something that the questioner believes or knows, rather than to require new pieces of information, and to gain support from the interlocutor.
- *Leading questions* are delivered by the questioner with the aim of extracting information that the other party may not want to divulge (e.g. Perry Mason's strategy).
- *Echo questions* are those which occur in a dialogue: a speaker repeats with a rising intonation the question pronounced by the previous speaker, in order to express surprise and/or verify whether what he understands is correct, or to elicit further information and invite the interlocutor to continue.
- *Polite questions* are those introduced by *Do you mind*, *Would you mind if*, *Could you possibly*, for example.

During an interview, it is clear that interviewers adhere to some general principles:

- questions are usually asked in a natural, uncomplicated style, to encourage an answer and avoid evasion;
- answers are not interrupted;
- a statement may also provoke an answer;
- since an interview is usually published or broadcasted, questions also consider the interest of the potential audience.

⇒ Taboos

You used a word that is generally considered taboo in Europe: power.

A taboo is something that people do not talk about because it is very offensive or shocking according to their culture, religion or social habits. Sex, income and racial problems are considered delicate areas in some countries. Weather, shopping and food are generally considered safe topics of conversation with British people, surely safer than family relationships, the Royal Family or the situation in Northern Ireland. Taboos as a cultural phenomenon have an influence on language; **euphemisms** are used to avoid words considered offensive. Here are some examples: *liquidation* is used instead of *murder*, *intervention* instead of *war*, *to pass away* sounds better than *to die*; some jobs are considered socially humble, so instead of *garbage man* we hear *sanitation engineer*.

Text 2

EUROPE'S ENDS AND FRONTIERS

A conversation with Giuliano AMATO, Vice-President of the Convention on the Future of Europe.

Q. 1 - Heartland What is the purpose of Europe today, and what will its purpose be in the future?

A. 1 - Amato Two purposes, which perhaps are really only one. The first is the need for institutions suited to our era. Every historical period must discover the institutions it needs. The Europe we are creating comes from this need.

Over the past six or seven centuries human activities have progressively tended to go beyond the frontiers of the jurisdictions in which they had been set-up. This represented a great change compared to the distant past. For millennia human beings had moved from one place in the world to another. Then, when a permanent economy prevailed, our ancestors' communities each settled in a certain territory.

Save the merchants who travelled the silk routes, most human activities took place within given borders. When national states were formed in Europe, perhaps there was the illusion that, with only a few exceptions, the state borders were also the frontiers for activities. In fact, the route towards a progressive internationalization of human activities was never interrupted, also thanks to technology, to the point that today there are even some who question the internal/external divide, a distinction we have lived with for three centuries.

We Europeans already have a supranational institutional apparatus of considerable dimensions that, through useful regulations, allows us to reasonably keep activities under control which in other parts of the world are far more difficult to control. The European phenomenon must be seen within the framework of this very long historical perspective. Beware: this is not *dirigisme*, it is not an attempt to transfer statism on a European scale: those who are knowledgeable of economic history know that institutions were invented by the market to make it work, not to hinder it. But this historical perspective is not sufficient on its own to make sense of tomorrow's Europe, because one does not notice these events in their natural setting. As others have observed, few in 1492 were aware that the modern era had begun, because they gave no importance to the fact that a certain gentleman who thought he was going to India discovered America. And this is the second element I referred to at the beginning: the awareness of Europe's role as a protection against external threats which until a short while ago were not perceived and the fact that, to protect ourselves from them, we Europeans are aware that the nation state, with its dimensions and resources, is no longer enough.

I'm thinking of organized crime, expanding outside and within our borders, of the flow of illegal immigration, sometimes running parallel to organized crime itself and managing it; of environmental conditions that have started to frighten people and have become part of our daily experiences, not to mention mad cows. The awareness that we, in our nation states, cannot control these risks, encourages us to look to Europe.

Q. 2 - Heartland What are Europe's frontiers?

A. 2 - Amato This is a difficult question. Three years ago I presided some really interesting work about Europe's borders at the European University Institute at Florence. We wondered whether these borders were marked – as we say rhetorically – by our common

TEXT 2

values. We discussed this issue in depth, and we established that it wasn't easy to define our common values. And if we established them on the basis of current standards, we then reached the embarrassing conclusion that perhaps we ought to include the Philippines. I am convinced that is a question of historical-cultural borders; they do not belong to a national community but are determined by the intensity of reciprocal exchanges and influences, of repeated interaction.

I am an integrationist, I want the European states to integrate as much as possible with each other. However one thing is clear to me: in an enlarged Europe, one cannot totally eliminate the importance of nation states. We must be aware that while we enlarge Europe we also add a new ingredient – that of national identity and sovereignty of the future new members. It is an intangible, cultural factor that in time must be overcome. At the same time it would be dangerous to imagine that the progress of an enlarged Europe should be that of countries which feel that the defence of their national sovereignty is an absolute priority! We are helped in this by 'enhanced cooperation', which indicates the possibility that a group of states may move further along the route to integration. But one must be vigilant: the route will be largely determined by the countries belonging to the current European Union, because they are the richest and the most powerful – also in a military sense – and power is above all the expression of wealth and military strength.

Q. 3 - Heartland You used a word that is generally considered taboo in Europe: power. Do you consider Europe a power?

A. 3 - Amato I am in love with the *pouvoir civil*. It is not simply an intellectual predilection, but the conviction that it is of practical utility. For example, our weakness in the field of big company + military power in certain situations opens doors and reduces diffidence. I am also aware that to count in the world the Europeans will have to give themselves a considerable military force, even though Europe will never be a super-power like the United States.

Q. 4 - Heartland In the background there is also the ghost of the European hard core, a kind of confederation of European states that are more European than others.

A. 4 - Amato We have provided the European Union with sufficient tools for guaranteeing, through enhanced cooperation, the availability on the various chessboards of European integration of a vehicle open to all those capable of accelerating the pace. And it would be sensible not to take things any further because otherwise diffidence will prevail.

Source: *Heartland. Eurasian Review of Geopolitics*, Gruppo editoriale L'Espresso, Casar Press, Hong Kong, n. 1/2002: 75-81

Activities

○ Activity 1. The main ideas

A. State which part of the text describes:

- a) settlements and frontiers b) nation states and Europe c) Europeans

B. What sort of Europe does Giuliano Amato believe in?

○ **Activity 2. Expressions of time: chronological order**

These expressions of time appear in the interview. Put the events they introduce in chronological order. Start with *for millennia*.

over the past six or seven centuries for millennia in 1492
when national states were formed in Europe until a short while ago
three years ago in time at the same time

○ **Activity 3. Political correctness**

Use the words in the box to complete the following passage.

eradicate rights gender mental discrimination
pejoratively antagonism terms progressive

During the 1980s, an increasing number of people became concerned to (a) ... what they saw to be prejudice (especially language prejudice) in areas such as race, (b) ..., sexual affinity and physical or (c) ... personal development. The label 'racialist' was already known from the turn of the century, and 'racist' from the 1930s. 'Sexist' was added in the 1960s, and followed by a series of other -ists (d) ... which focussed on real or imagined areas of linguistic (e) Many of the critics were members of (f) ... or activist groups (e.g. advocates of minority (g) ...), especially in universities, and thus, as the movement grew, attracting hard-line extremists alongside moderates, it drew down upon itself the (h) ... of conservative academics and journalists. By the 1990s, this hard-line linguistic orthodoxy was being referred to, (i) ... , as 'political correctness' (PC).

(D. Crystal, *The Cambridge Encyclopedia of the English Language*).

○ **Activity 4. Euphemisms**

Here are some words and phrases referring to taboo topics, used to avoid others considered impolite. Find the equivalents.

a) to push up the daisies b) after a long illness c) the ultimate sacrifice
d) to spend a penny e) industrial action f) not all there
g) to be economical with the truth h) tired and emotional

○ **Activity 5. Discussion points**

- How far will the historical and cultural diversity of European nations be a contribution or an obstacle to the Europe of the future?
- Those who are knowledgeable of economic history know that institutions were invented by the market to make it work, not to hinder it.* Discuss the significance of this statement.
- Having read the comment about the origin of political correctness (Activity 3), discuss the present sensitivity to this issue, bearing in mind that nowadays supporters of politically correct language have appropriated the term for themselves.

Language and discourse

□ TEXT TYPE: TOPIC, AUDIENCE AND PURPOSE

The following article from *The Economist* aims at advancing the arguments in favour of European enlargement, as is suggested in the subtitle. In particular, the discussion is about why the European Union states want to accept the admission of other countries. So we expect to find the reasons explained, but also contrasting points expressed. Actually, the German position to open the Union to the eastern countries is debated, not only in lines of principle but also for the reasons produced. Within the topic, the concept of stability is widely discussed, generating a semantic chain: stability → instability → stabilise → destabilise.

The text starts with a **deductive argumentation**, that is a generalization which is then supported: *The growth of the European Union has coincided with an unprecedented period of peace and prosperity in Western Europe.*

The last paragraph, instead, is based on **inductive argumentation**: here the author steers his topic towards a final generalization: *One plausible fear is that in helping to stabilise its new members, the EU may inadvertently destabilise the countries on its new borders.*

□ FUNCTIONAL AREAS

Contrast and disagreement can be perceived in the following sentences: *Inevitably, though, the implications of eastward enlargement are complex and sometimes double-edged; There is a risk that as well as exporting stability, the European Union might import instability.*

In these statements no structural marker of contrast is present, yet the lexical choice (*double-edged, risk*) expresses a negative connotation, as well as the use of *might*.

⇒ **Clauses of contrast** can be introduced by either the co-ordinating conjunction *but* or by the subordinating conjunctions *though, although, even though, even if, while, whereas*: *But to many of its member states, it is first and foremost the European Union that can take the credit for banishing the ghost of history.*

- To connect ideas which are in contrast in different clauses we use: *however, nevertheless, notwithstanding, still, yet, even so, all the same, despite, in spite of, otherwise*: *The EU had to open up to the east, otherwise the very idea of European integration would have undermined itself.*
- The parallel conjunctions *whether ... or* specify two contrasting conditions.
- Contrast is also expressed by an adverbial clause beginning *no matter wh-*.
- Expression of contrast: *in contrast with/to*.

⇒ A **complex-transitive construction** is present in the following sentence:

West European politicians make it clear that their desire to spread peace and prosperity eastwards is not solely motivated by altruism.

- If the predicate is a content clause, we need *it* as a dummy object, to introduce the next sentence. The *make* construction can also be used with an infinitive: *Existing rules make it impossible for airline managements to pursue the kind of sweeping, market-driven reorganisation which the industry so badly needs.*

Text 3

REASONS OF STATE

Why, despite a few doubts, the current members of the European Union are keen to enlarge the club.

The growth of the European Union has coincided with an unprecedented period of peace and prosperity in Western Europe. France and Germany, which fought three devastating wars between 1870 and 1945, are now the closest of partners. Spain, Portugal and Greece have recovered from a long period of authoritarian backwardness to join the European mainstream. Historians will debate just how much credit the EU can take for this newly golden European age. Other factors – America’s military role in Europe, the growth in the world trade and the end of competition between imperial powers – have all played their part. But to many of its member states, it is first and foremost the European Union that can take the credit for banishing the ghost of history.

Having buried old conflicts in the west of the continent, the EU now wants to repeat the performance in the east. West European politicians make it clear that their desire to spread peace and prosperity eastwards is not solely – or even largely – motivated by altruism. Joschka Fischer, Germany’s foreign minister, put the argument bluntly in a much-discussed recent speech on the future of Europe:

Following the collapse of the Soviet empire, the EU had to open up to the east, otherwise the very idea of European integration would have undermined itself and eventually self-destructed. An EU restricted to Western Europe would forever have had to deal with a divided system in Europe: in Western Europe integration, in Eastern Europe the old system of balance of power with the permanent danger of nationalist ideologies and confrontations. In the long term this would make Europe a continent of uncertainty, and in the medium term these traditional lines of conflict would shift from Eastern Europe into the EU again. If that happened, Germany in particular would be the big loser.

Mr Fischer’s compatriot, Mr Gunter Verheugen, to whom it has fallen to oversee the EU’s efforts to enlarge to the east, lists three main reasons why the current 15 members of the Union are keen on pursuing enlargement. The first is stability; the second is a moral obligation to help the victims of Nazism and communism; the third – mentioned almost apologetically – is the economic opportunity offered by the new markets of the east. But,

TEXT 3

he says, 'The real point is the strategic point. Our experience is that the best way to project stability and democracy is through European integration'.

Inevitably, though, the implications of eastward enlargement are complex and sometimes double-edged. There is a risk that as well as exporting stability, the European Union might import instability. Such instability could arise in one of four ways: in the borderlands of the new European Union; within the new members; within the current 15 members; and through the as yet unpredictable effects of enlargement on the balance of power within the Union itself.

The borderlands present an obvious new risk. Once enlargement is completed, the EU will have frontiers with some pretty rough parts of the world. Eastward enlargement will take the EU into the heart of the Balkans. Indeed, if Turkey ever joins, the EU will have borders with Iraq, Syria and Iran, among others. Thanks to Finland's membership, the Union already has a long border with Russia. That will get longer still when the Baltic states join the EU – and there is an added complication: once Lithuania and Poland become members, a Russian enclave – Kaliningrad – will lie entirely within the borders of the EU. Further south, unless the EU can broker a peace settlement in Cyprus, it may end up admitting only the Greek half of the island, thus placing itself in the middle of the long-festering conflict between Greece, which has been a member for some time, and Turkey, which is keen to join.

One plausible fear is that in helping to stabilise its new members by incorporating them into the Union, the EU may inadvertently destabilise the countries on its new borders.

Source: 'A survey of European Union enlargement', *The Economist*, May 19, 2001: 5-6

Activities

○ Activity 1. The main ideas

- What are the three main reasons why the current fifteen members of the EU are keen on pursuing enlargement?
- Why did the EU have to open up to the east following the collapse of the Soviet Empire?
- The implications of eastward enlargement are complex and sometimes double-edged.* Explain the meaning of *double-edged* in context.

○ Activity 2. Definitions

Match the words in box A with their meaning in box B.

A
a) unprecedented
b) devastating
c) undermined
d) keen
e) rough

B
i) enthusiastic
ii) not seen before
iii) violent
iv) very destructive
v) weakened

○ **Activity 3. Exploring the relationships among ideas**

The following sentences are taken from *The Economist* (Oct. 4, 2003). Complete them using the appropriate conjunction. Choose among *despite*, *though*, *although*, *even if*, *yet*. Some can be used more than once.

- a) In normal circumstances, this newspaper would rush to dispatch incompetent Mr Davis [Democratic governor of California]. In the present circumstances, ..., our finger trembles on the trigger.
- b) ... dire warnings from officialdom, both state and local, Proposition 13 [a tax provision in the State of California] passed with 65% of the vote.
- c) ... America's best universities are loth to disclose the income of their students, the better-off undoubtedly predominate – not least because the sons and daughters of high-earning alumni are regularly preferred.
- d) In soyabeans, Brazil is a superpower. It has achieved this ... banning the use of genetically modified (GM) seed.
- e) ... the rules change, the main American processors, who supply 90% of canned tuna in the United States, say they will not buy fish whose capture had anything to do with dolphins.
- f) 'Bigger than Hollywood' – that is how people in the videogame industry like to describe their business. ..., gaming is still not truly mainstream.
- g) ... the Air France and KLM brands are to remain separate, the partnership between the two promises to become more intimate than any other cross-border deal in the industry.
- h) ... his technical gifts, Mr Modigliani showed little appetite for mathematics at school.

○ **Activity 4. Conditions**

Underline the *if*-clauses in the text. Now complete the following sentences taken from *The Economist* (Oct. 4, 2003).

- a) If neo-Talibans ... happy to murder those bringing food and water, what might they do to those bringing democracy and rights for women? (to be)
- b) If ..., the changes could sweep aside restrictions that have crippled competitive politics. (to apply)
- c) If the antitrust authorities ever ... anything like this, flight costs could come down sharply through economies of scale. (to tolerate)
- d) If this ... what it takes to force corporate Germany to make the changes which it has put off for so long, so be it. (to be)
- e) If the French indeed ... to fiscal discipline in 2005, a full-scale euro-crisis might be avoided. (to return)

○ **Activity 5. Discussion points**

- a) What is the current state of European enlargement?
- b) What are the main debates at the moment?
- c) What benefits will European enlargement bring and how much agreement is there between Member States about the desirability of such development?

Language and discourse

□ TEXT TYPE: TOPIC, AUDIENCE AND PURPOSE

The following text is part of the editorial of a specialized journal, *Legal Issues of Economic Integration*. It is addressed to an educated public who are aware of legal and economic matters. The author assumes that the readers have a high level of 'shared knowledge' about past and present events and opinions, problems and results. The technical nature of the text demands the exercise of interpretative procedures about terms, word usage and the extraction of meaning from complex sentence structures, such as in the following sentence: *Economic integration was seen by the founding fathers of the EC/EU as a mere instrument to achieve the political objectives of safety and security.*

In order to support ideas, sources are indicated in quotations.

Note that the text opens with three interrogative sentences, which define the ground of the discussion. The text closes with an exclamative which indicates that the content of the final sentence is remarkable and sensational, almost unexpected, so that it requires special consideration.

□ FUNCTIONAL AREAS

⇒ Quotations

The use of **quotations** as a rhetorical device serves to assign a special status to the words and phrases enclosed. Usually they indicate that the part of the text is taken from another source. Quotations can report direct speech, a paragraph from a book, technical terms, titles of articles or TV programmes.

- They can consist of either a single word: *security*, or a whole sentence: *This Title shall not affect the exercise of the responsibilities incumbent upon Member States with regard to the maintenance of law and order and the safeguarding of internal security.*
- Quotations perform an important communicative role in academic discourse. No scientist, writer or expert can repeat in full every previous argument in the field s/he is dealing with. They also serve to persuade, because they often report prestigious researchers' achievements and opinions. In this sense, they fulfil an ethical purpose in recognizing the authority of prior scholars and avoiding accusations of plagiarism. On the other hand, they can be used ironically, still fulfilling the persuasive function.
- The use of quotations is usually arbitrary, as they are selected by the writer, and may be misleading for at least two reasons:
 - each writer quotes only the part useful to support his/her reasoning;
 - the selected part may have a different meaning within the original context.

⇒ **Deontic *shall***

No Member State shall be obliged to support information the disclosure of which it considers contrary to the essential interests of its security.

In the text there are several sentences in which *shall* expresses a constitutive or regulative intention. This structure is mainly found in legal or quasi-legal documents. The subject is normally 3rd person.

Text 4

IS IT ABOUT ECONOMIC INTEGRATION AFTER ALL?

In the aftermath of '9/11', the unavoidable question 'how about security' also pops up with respect to the European Union. Who is responsible for protecting the citizens in the European Union? The EC and EU institutions or is it for the Member States to take the necessary measures? Or is the EU still primarily about economic integration?

When we look back at the history of the European integration process, we have to come to the conclusion that originally the ultimate objective was a political one. Just take a brief look at the first sentence of the 'Schuman Declaration' of 9 May 1950: 'La paix mondiale ne saurait être sauvegardée sans des efforts créateurs à la mesure des dangers qui la menacent'.

This declaration, which laid the foundations of the European Coal and Steel Community, was about safeguarding internal and external security. Economic integration was seen by the founding fathers of the EC/EU as a mere instrument to achieve the political objectives of safety and security in Europe. The instrumental character of market integration in the EC is also clearly demonstrated in Article 2 of the EC Treaty. The first part of it reads: 'The Community shall have as its task, by establishing a common market and an economic and monetary union ... a harmonious, balanced ...'.

On the other hand, it is remarkable that 'security' is not mentioned as one of the objectives in Article 2. When we browse through the EC Treaty, we come across 'security' in various aspects. First of all, Article 30 EC states that Member States are not precluded from restricting the free movement of goods 'justified on grounds of ... public security'. Similar provisions can be found with respect to the other market freedoms. Although the European Court of Justice is not *a priori* excluded from supervising the way Member States exercise their discretion, it does lead to statements of the ECJ such as: Member States 'retain exclusive competence as regards the maintenance of public order and the safeguarding of internal security'.

Title IV of the EC Treaty on visas, asylum and immigration speaks of 'an area of freedom, security and justice' to be established and of 'a high level of security by preventing and combating crime within the Union'. The Council is required to take the necessary measures in that respect. However, in Article 64(1) EC, we read: 'This Title shall not affect the exercise of the responsibilities incumbent upon Member States with regard to the

TEXT 4

maintenance of law and order and the safeguarding of internal security' and that 'in any event, the Court of Justice shall not have jurisdiction to rule on any measure or decision taken pursuant to Article 62(1) relating to the maintenance of law and order and the safeguarding of internal security' (Article 62(2)).

Another provision which needs to be mentioned is Article 296(1)(a) EC: 'no Member State shall be obliged to supply information the disclosure of which it considers contrary to the essential interests of its security' and (b): 'any Member State may take such measures as it considers necessary for the protection of the essential interests of its security which are connected with the production of or trade in arms, munitions and war material; such measures shall not adversely affect the conditions of competition in the common market regarding products which are not intended for specifically military purposes'. Article 297 EC mentions 'security' in the following context: 'Member States shall consult each other with a view to taking together the steps needed to prevent the functioning of the common market being affected by measures which a Member State may be called upon to take in the event of serious internal disturbances affecting the maintenance of law and order, in the event of war, serious international tension constituting a threat of war, or in order to carry out obligations it has accepted for the purpose of maintaining peace and international security'.

This brief survey brings me to the following conclusion: although the original objectives of the European integration process were essentially about safeguarding security in Europe, the founding Treaties did not reflect this idea at all. Not only was any reference to 'security' omitted in the objectives of the treaties; on the contrary, when we do find a reference to security, it is more about reserving competences at the level of the Member States than about attributing competences to the European institutions!

Source: 'From the Board', in *Legal Issues of Economic Integration*, vol. 29, 2002-2003: 243-244

Activities

○ Activity 1. Summarizing information

Complete this simplified version of Text 4 with an appropriate word from those in the box below.

citizens Treaties consultation measures working integration security governments maintenance objectives safeguarding jurisdiction market considerations bodies
--

After '9/11' the subject of security has become a key issue in the EU, as elsewhere in the world. This raises the questions: is European Union more about economic a) ... or about political union? Who or which b) ... are primarily responsible for protecting European c) ... ? European institutions or the individual d) ... of Member States? Originally, it is true, political e) ... were key to the thinking of the founding fathers and constituted the main objectives behind the establishment of the European Coal and Steel Community, which was about f) ... internal and external g) Economic integration was seen to be only the instrument for achieving this. However, in practice, any reference to

security was omitted in the stated h) ... of the founding Treaties. Where security is mentioned, the i) ... maintain the responsibility of the Member States themselves for safeguarding internal security and the j) ... of public order. The k) ... of European institutions, and the Court of Justice in particular, to intervene is limited. Not only, no Member State needs to reveal any information if it is considered detrimental to its own security. l) ... between States is only contemplated if internal m) ... taken by individual States to maintain peace and to counter any risks to international security negatively affect the n) ... of the common o)

○ **Activity 2. Deontic *shall***

The following statements are taken from the EEC Treaty (Maastricht Version) which is a statute, giving regulations to the Member States of the EU. Read each sentence carefully, then say which other verbs can express the same concepts in a non-directive text.

- Every citizen of the Union shall have the right to move and reside freely within the territory of the Member States.
- Member States shall keep the Commission informed of any movements of capital to and from third countries which come to their knowledge.
- The Community shall contribute to the flowering of the cultures of the Member States.

○ **Activity 3. Quotations**

Read the following quotations taken from *Fortune* (June 30, 2003) and imagine the circumstances and the participants involved in the language event.

- 'I am confident that I will be exonerated of these baseless charges' she wrote on the site.
- Singapore might be trying to send a political message with its Indonesian buying spree, says Young, but 'that's not to say these are not good investments'.
- 'Harrods is seen to have become rather brash. People are interested in serious fashion and quality design, not flash'.
- 'I never thought I would be proud to have my name associated with this company again. I was wrong'.
- 'It's almost a complete waste of time to talk about ethics and moral values if you want to change business behaviour. The only thing that's going to drive sustainability in a lasting way is if it leads to profit and growth in big corporations'.

○ **Activity 4. Discussion points**

- How far have the original objectives of the founding Treaties been achieved?
- Do you support the idea of uniform, complete economic integration in financial, fiscal and monetary matters?
- What areas of Italian domestic policy could benefit from European standardisation?

Language and discourse

□ TEXT TYPE: TOPIC, AUDIENCE AND PURPOSE

The following text comes from the website of the prestigious London School of Economics which is not only informative, but also hosts provocative contributions about controversial issues. The author is the Director of the LSE, who refutes the German Foreign Minister's opinions about federalism in Europe. It is an example of **argumentative discourse**, carried on in an elegant, sometimes pungent style, as the following sentences show: *Fischer's speech attracted so much attention not because he said anything particularly new, but because of the context in which he delivered it, I write as someone strongly committed to the EU. Yet I don't believe that we should be thinking along the lines Fischer advocates.*

□ FUNCTIONAL AREAS

⇒ **Argumentation** is concerned with reasoning, that is the methodical process of arguing in favour of, or against, a point of view or an opinion. Therefore argumentative discourse is based on the relationship between concepts: an opinion can be supported in connection with opposing opinions, solutions are investigated and verified. Persuasion is the aim of argumentation.

- Words and expressions which indicate argumentation are:
 - *connectors*: therefore, otherwise, because of;
 - *nouns*: objection, evidence;
 - *verbs*: to show, to prove, to demonstrate, to object, to accuse, to criticise, to admit, to claim, to hypothesize, to suppose, to assume;
 - *modal verbs*: can, could, must, should, would;
 - *adverbs*: certainly, necessarily, obviously;
 - *adjectives*: indispensable, vital, basic, essential, unquestionable.
- Rhetorical devices which distinguish argumentation are: metaphor, antithesis, hyperbole as well as the use of rhetorical questions. They all have the purpose of persuading the reader, stimulating his/her attention and assisting the consequent interpretation.

Text 5

A THIRD WAY FOR THE EUROPEAN UNION

Overview

Anthony Giddens has been Director of the London School of Economics and Political Science (LSE) since 1997. He has helped to popularise the idea of the 'Third Way'. The Third Way represents the renewal of social democracy in a world where the views of the old left have become obsolete, while those of the new right are inadequate and contradictory. Professor Giddens contributed this article to the book *The Future Shape of Europe* edited by Mark Leonard.

Text

Joshka Fischer's speech attracted so much attention not because he said anything particularly new, but because of the context in which he delivered it. Here was a German foreign minister proclaiming the need for greater federalism in Europe, speaking in a historic setting in the new capital of a reunified Germany.

Fischer set out his stall in a cogent and effective way. With the coming of the Euro, the economic integration of Europe is more or less complete. What remains is to complement it with greater political integration. How else in the longer run can the European Union tackle its problems? Enlargement might eventually double the current EU membership. The EU is marked by its notorious democratic deficit, which seems to be producing declining levels of public support in member countries for its aims and policies. Monnet, Schuman and the other early founders of the EU dreamed of a society that would overcome the divisions that had led to two world wars. As Fischer points out, they foresaw that such developments should encompass East as well as Western Europe. The time has come to move towards making that vision a reality.

I write as someone strongly committed to the EU. Yet I don't believe that we should be thinking along the lines Fischer advocates. We need a different model of the future of Europe today from the federalist one, for reasons I shall try to spell out in what follows. Neither of the two main models of the EU – federalism or a minimalist free-market – offer appropriate means of thinking about either what the EU is or what it should become.

I think British intellectuals and policy-makers could make some contribution to working out what such a future for Europe might involve. At first sight this looks an unlikely proposition. The British famously have been the 'reluctant Europeans'. The UK has not as yet adopted the Euro and the majority of the population is at best indifferent towards Europe.

Yet Britain has been the source of some of the most lively thinking in politics in recent years, at least so far as the centre-left is concerned. Effective analysis of the big changes affecting our lives, such as globalisation and the advent of the new economy, began earlier in the UK than in most other countries. So also did the attempt to create a framework of policy response to these transformations, in the shape of third-way politics. A 'third way view' of Europe should stem from the same considerations that underlie the wider political debate – the need to respond to far-reaching processes of social and economic change.

Fischer said he looked for an alternative term to 'federalism', but in the end used it because he couldn't find one. The main reason he seemed to give for seeking a different concept is that talk of a 'federal Europe' doesn't go down too well in some countries – most

TEXT 5

notably, Britain. However, there are much more important reasons why 'federalism' is an inappropriate term.

- 1) It implies that further political integration in EU should move Europe in the direction of forming a state, with the institutions appropriate to such a political order. But one doesn't have to be a Eurosceptic to see that the EU is not a state at all, and will never become one. It is (or should now be seen as) a new form of supranational authority, characterised by a voluntary sharing of aspects of sovereignty.
- 2) Talk of federalism always encourages comparison with the US. In a widely-syndicated debate with Jean-Pierre Chevenement, which followed on from his Berlin speech, Fischer cites the US as his basis for thinking about the future of Europe. Larry Siedentop's influential recent book, *Democracy in Europe*, does much the same. But there are no close parallels. James Madison and his fellow constitution-builders were creating a sovereign state, whereas the EU is seeking to help transform sovereignty in a newly interdependent world.

We need a vision of the future of the EU that stresses Europe's wider role in a world that is being transformed by globalisation; places an emphasis upon pluralism and the decentralisation of power; responds to the demands of the new economy; and sits comfortably with the need to find a renewed role for the nation in the global age. I don't think a federalist model fits any of these requirements particularly well.

To the question 'what is the EU?', if it is neither merely a marketplace or a stage on the way to federalism, I would say the following. The EU (today) is above all an experiment in transnational governance, of great consequence to the rest of the world, not just to Europe itself, and capable of being emulated elsewhere. Given the diversity of nations and cultures involved, the EU is inherently diverse, and its institutions must reflect that.

The democratisation of the EU in some key respects needs to be the same as nations have to deploy. Within nations, as in the EU, we need a 'second wave' of democratisation, or what I call the democratising of democracy. Poor transparency of public institutions, the undue influence of corporate power, 'media politics', back-stage deals, old-boy networks, straightforward corruption, lack of representation of women and ethnic minorities – these are found even in the most democratic of countries. Most are very evident in EU institutions too. While some progress has been made in confronting them, there is a great deal of scope for further improvement.

Devolution is a crucial part of an active response to globalisation. As one of its influences, globalisation exerts a 'push-down' effect, creating strong pressures for local autonomy. How far EU institutions can effectively be connected with local and regional government will be fundamental in defending, or enhancing the popular legitimacy of the EU.

Source: <http://lse.ac.uk/collections>

Activities

○ Activity 1. The main ideas

- a) *The time has come to move towards making that vision a reality.* what vision and whose vision is the author referring to?

b) How many different arguments are used against the case for a federal union in Europe?

○ **Activity 2. Developing an argument**

Complete the sentences below with one of the following words or phrases, using the information in the text. Use: *but rather, rather than, by no means, not, as*.

- a) Progress towards a federal Europe should depend in the future, ... it has in the past, upon Franco-German collaboration.
- b) The relevance of the term 'third way' has ... been limited to British politics.
- c) The point of the EU should not be to counter the dominance of the US, ... to help tie the United States into a wider cosmopolitan order.
- d) Countries like the UK, Denmark, Holland and Spain are showing the way to defend the European social model, ... France and Germany.
- e) The conception of the 'pooling and sharing' of sovereignty, ... a federalist one, should be the guiding thread of our thinking about the Union's future.

○ **Activity 3. Understanding information**

Complete the paragraph below using one of the following words.

collaboration reason bipolar globalisation opposition
neither past nations federal identities

In its relations with its member nations, the Union is concerned a) ... merely to defend the nation, nor to supersede it in a b) ... system. Rather the EU should contribute to the restructuring of c) ..., as they become less concerned with territory and more with peaceful d) It isn't a coincidence that – not just in Europe but almost everywhere – nations are busy rethinking their e) ... and reinterpreting their past. The f) ... is that the factors which shaped nations in their earlier periods, including the g) ... world, have become altered or transformed with the intensifying of h) Most found their identities in i) ... to others. 'Nations without enemies' must necessarily be different from those of the j) ..., they can't define themselves through hostility to the other.

○ **Activity 4. Discussion points**

- a) *The British famously have been the reluctant Europeans*: they have not adopted the euro and public opinion about Europe is mixed. What could explain these reservations?
- b) How far do you think the 'democratising of democracy' will become the necessary further step for Europe?
- c) What is devolution? Why is it a crucial part of an active response to globalisation?

Language summary

• Obligation and necessity

- The modal verb *must* (or the ordinary verb *has/have to*) expresses obligation in the present and future: *Britain must be at the centre of Europe. That must include membership of the single currency; Nations recognise that the challenges have to be met collectively.*
- *Must* can also express: strong intentions, certainty, logical necessity, deduction, commands.
- *Must* is used to make persuasive suggestions: *You must meet the President*, or make an invitation in a very persuasive way: *You must have a drink with me.*
- *Had to* and *will have to* are used to express obligation in the past and in the future respectively.
- *Must not* expresses prohibition, unacceptable or undesirable actions.
- *Need*, as an ordinary verb, admits two constructions: it can be used as a transitive verb followed by an object (noun, pronoun, gerund): *We need confidence in ourselves; We need a vision of the future of the EU that stresses Europe's wider role in the world*, or by an infinitive with *to*: *The democratisation of the EU needs to be the same as nations have to deploy.*
The modal verb *need* is mainly used in negatives (*need not - needn't*), followed by an infinitive without *to*. *Need not* expresses absence of obligation.

• Time clauses

- Clauses of time are subordinate clauses, which can be expressed by:
 - **a conjunction followed by a finite verb**
When a permanent economy prevailed, our ancestors' communities each settled in a certain territory.
Conjunctions used: *after, as, before, once, since, till, until, when(ever), while, now, as long as, as soon as.*
 - **a conjunction followed by a non-finite verb**
After discussing this issue in depth, we established that it wasn't easy to define our common values.
Conjunctions used: *after, before, since, until, when(ever), while.*
 - **a verb in -ing or -ed**
Having stated our aims, our goals would be shared by many other countries.
Conjunctions used with *-ed* verbs: *once, until, when(ever), while.*
- **Use of prepositions**
when → *at, in, on, during, before, after, between, by*
duration → *in, for, from ... to, up to, until, till*

➤ **Tenses in time clauses**

Simple present tense is used also to refer to a future circumstance indicated in the time clause.

• **Conditional constructions**

If clauses usually mark conditions. Conditions can express:

- What is true (or was true in the past): present + present or past + past
If the Community is to have broadcasting which promotes cultural pluralism, then the establishment of common standards is necessary.
If we established common values on the basis of current standards we then reached the embarrassing conclusion that we ought to include the Philippines.
- Real situations: present + *will*
If Turkey ever joins, the EU will have borders with Iraq, Syria and Iran.
- Hypothetical situations: past + *would*
If that happened, Germany in particular would be the big loser.
- Hypothetical past situations: past perfect + *would have*
If the Member States had agreed to implement immigration laws, they would have developed a common risk analysis model.
- A formal use: *if* + adjective/past participle
The consensus can only be achieved if pursued with a sense of fairness, of equality, of partnership.
- Conditional clauses followed by other modal verbs: *If we are in, we should be in whole-heartedly.*
- In everyday speech there are other ways of expressing conditions:
 - *Supposing: supposing you won, what would you do with that money?*
 - Omission of *if*: *Sit down, and I'll tell you everything.*

