

Headline English

2011, week 16 *Learn English through reading on current world affairs*

1 Paul Krugman

2 **Austerity leads to even more debt**

3 original at

4 <http://krugman.blogs.nytimes.com/2011/03/30/austerity-games-here-and-there/>

5 Early last year, many people on both sides of the Atlantic seized on the
6 idea that less is more — that cuts in government spending would actually
7 help the economy out of the crisis. This idea, known as *expansionary*
8 *austerity* became the official doctrine of the Conservatives in Britain (and
9 also the European Central Bank) and of the GOP in the US.

10 However, this doctrine is ultimately based on the assumption that
11 households will run up further debt. Why? Because the economy can only
12 avoid being negatively affected by cuts in government spending if private
13 spending rises to fill the gap.

14 Although austerians rarely admit it, the only way that private spending
15 can increase is if people take on even more debt. So, ironically, some
16 governments in Europe and America inveigh against the evils of debt but
17 pin all their hopes on the assumption that over-indebted households will
18 dig their hole even deeper.

Questions

- 1) Explain the meaning of 'cuts in government spending' (line 6).
- 2) Explain what 'expansionary austerity' (line 7-8) means.
- 3) Which well known American political party is also known under the acronym 'GOP' (line 9)?
- 4) 'Run up' (line 11) and 'take on' (line 15) are *phrasal verbs* (i.e. verbs consisting of a simple verb and a particle) with very similar meanings. 'Dig their hole even deeper' (line 18) is yet another way of saying the same thing. Can you guess the meaning of all the three above linguistic units?
- 5) According to Krugman, private spending needs to fill the gap left by cuts in public spending (= replace public spending) to prevent what?
- 6) Who are 'austerians' (line 14)?
- 7) Why is it, according to Krugman, ironic that certain governments in Europe and America should inveigh against (= protest strongly or attack vehemently with words) debts?
- 8) What is your opinion on growth through cuts in public spending? Do you think it is feasible or do you agree with the author of the article?

Vocabulary

seize on (line 5) – to resort to a method, plan, etc., in desperation

assumption (lines 10 and 17) – something that you think is true although you have no proof

affect (line 12) – to do something that produces an effect or change in someone or something

pin one's hopes on (line 17) – put one's hope or trust in someone or something, also pin one's faith on

Přejeme Vám mnoho studijních úspěchů.

Tým jazykové skupiny Spěváček:

