

1 **Curb your enthusiasm**

2 *original at:*

3 http://www.economist.com/opinion/displaystory.cfm?story_id=15951686

4 Business confidence is rising and global growth seems increasingly robust.
5 Given the scale of the financial crisis, the recovery is surprisingly brisk.
6 The trouble is that the good fortune has not been shared equally. Globally,
7 the pace of growth has been healthy, but there are differences between
8 regions. Historically, deeper recessions are followed by stronger
9 recoveries. But this time around countries that were least affected by the
10 recession (primarily the largest emerging economies) are seeing the
11 fastest acceleration. In contrast, countries where the downturn was
12 deepest (developed countries of the West) have the weakest recoveries.

13 One reason for this multi-speed recovery is that the financial crisis was
14 largely confined to the rich world, and recoveries after such crises tend to
15 be slow. Other factors include the structure of finance (Europe is more
16 dependent on banks), and an economy's flexibility (productivity has
17 soared in America, but slumped in Europe). Economic stimulus also played
18 an important role: thanks to their low debt levels, the big emerging
19 economies have been able to use it effectively. In the euro zone, in
20 contrast, countries have high debt levels and many are running out of
21 fiscal room even as their economies remain weak.

22 The danger is that the growth gaps between regions will widen rather than
23 narrow. In Europe output could slow as sovereign debt fears spread
24 beyond Greece, forcing the likes of Portugal to tighten fiscal policy faster.
25 Conversely, big emerging economies could easily overheat, risking
26 inflation and asset bubbles. Unfortunately, in a multi-speed global
27 recovery the policy combination that makes sense for the rich world—
28 gradually tighter fiscal policy and a prolonged period of cheap money—will
29 encourage more capital to flow to emerging economies in search of higher
30 yields, and add to their risk of overheating.

Questions

- 1) Why is the briskness of the global economic growth surprising and what does 'brisk' mean anyway (line 5)?
- 2) Globally, growth is becoming increasingly robust. Yet, there is a big problem hidden beneath this optimistic fact. Which one?
- 3) What are the causes of this big problem?
- 4) What is the difference between big emerging economies (like China) and the economies of the euro zone in terms of economic stimulus, and what does this concept (line 17) refer to?
- 5) Note that this article makes very good use of contrasts (words or phrases of opposite meaning used simultaneously). Contrasts (like 'soar' [=rise] x 'slump' in line 17) are a good way of linking pieces of texts together, making it easier for the reader to follow the text. Scan through the article for contrasts!
- 6) 'In Europe output could slow as sovereign debt fears spread beyond Greece, forcing the likes of Portugal to tighten fiscal policy faster.' (lines 23 to 25). Paraphrase this sentence with your own words. (Note that the meaning of the conjunction *as* is somewhere between *when* and *because*.)
- 7) A tough question towards the end. Why will 'cheap money' (i.e. low interest rates on loans) make capital flow to emerging markets (or at least to economies where money is not that cheap)?
- 8) What is your view on the outlook for the economy? Do you think that the crisis has passed? Are you optimistic about the future with regard to economy?

Vocabulary

given something (line 5) – because of something, as a result of something

include (line 15) – comprise, incorporate, contain (note that include is a very useful word which can, amongst others, often be used instead of phrases like 'for example' or 'such as')

run out of room (line 20 to 21) – lose freedom to act, see one's scope of options for action narrow

add to (line 30) – increase, multiply

You can find additional explanation and more examples to help you understand and use English words and phrases at <http://dictionary.reference.com>, <http://dictionary.cambridge.org/>, or <http://www.merriam-webster.com/>

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