

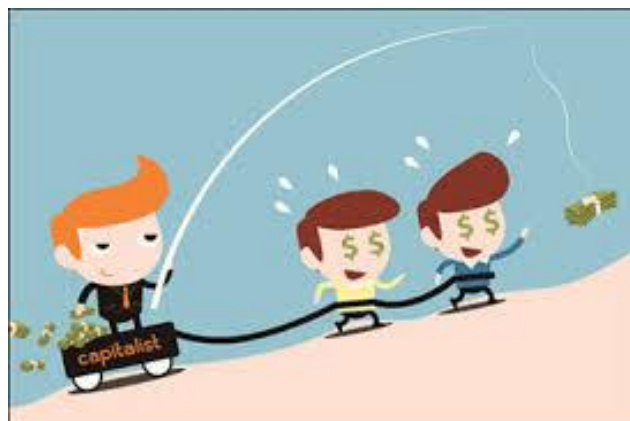
Capitalism

Capitalism is an economic system in which private people, not the government, own and run companies. These companies compete with other companies for business. They decide what products they want to produce, how much they should cost and where to sell them. Companies do all these things in order to make profits for their owners. People who use their money to start companies or run companies are called capitalists.

Even though a pure form of capitalism does not exist and governments control the economy in some ways it remains the world's most popular economic system. In the United States the government keeps itself out of the economy as far as possible but in some European countries economic control is much larger. Other names for capitalism are free-market economy or free enterprise.

In a capitalist system private households need goods. They buy these goods from the income that they have. Some households have more income than others. Sometimes only one member of a household has a job, at other times both husband and wife go to work. Then they have more money to buy goods. This is the demand side of the economy.

On the other hand companies and businesses offer private households goods and services. They produce the goods that they think consumers will want to buy. To do this they need workers to produce these goods and services. This is the supply side of the economy.



Ex. 1 Match these words from the text with their definitions:

1. to compete	= a person whom something belongs to
2. demand	= amount of goods that can be sold
3. economic	= financial
4. economy	= people who live privately in one house
5. free enterprise	= the leaders who rule a country
6. goods	= the money you get from selling things after you have paid your costs
7. government	= the money you get when you have a job and work
8. income	= the need to have certain things
9. owner	= things that are produced so that you can sell them
10. private household	= to be in charge of , to control
11. profit	= to stay
12. to remain	= to try to get people to buy your goods and not from other companies
13. to run	= when companies and business can operate without much control
14. services	= work that you do for a person or an organization
15. supply	= the system of producing goods and selling them

Ex.2 Combine the words from the two columns to form collocations as in the text:

- | | |
|---------------|-----------------|
| 1. to run | a job |
| 2. to compete | companies |
| 3. to make | goods |
| 4. to control | profits |
| 5. to buy | the economy |
| 6. to have | with each other |

I know English idioms!

Looking at the picture under this lesson's text one very popular idiom comes to mind:

- carrot and stick (*marchewka i kij*) which can be defined as "a system in which you are rewarded for some actions and threatened with punishment for others"

Sometimes I just have to use the carrot and stick approach with my employees. They are so difficult to manage.

Phrasals, phrasals...

A sentence from our reading text says: People who use their money to start companies or run companies are called capitalists. When we want to describe a newly formed company in English we call it a "start-up". The word is a phrasal noun made from the verb "to start-up".

Grammar corner

These companies compete with other companies for business.

Some households have more income than others.

These sentences from the reading text contain similar words: "other" and "others" both of which can mean "inny", "inni" etc. Why then one of them takes "s" at the end? The answer is simple: this one word "others" has the meaning of two words, in our context: "other households"

Try and use correctly: "other" or "others":

1. The _____ workers are more interested in their work than these.
2. Among all salesmen John had better results last month than the _____.
3. Why don't we employ some graduates? They're cheaper than any _____ workers.
4. Some people like working early in the morning while _____ prefer evening shifts.

GLOSSARY	
capitalism	kapitalizm
economic	ekonomiczny
private	prywatny
government	rząd
to own	posiadać
to run	prowadzić
to compete	współzawodniczyć
to produce	produkować
in order to	w celu, żeby
profits	zyski
owner	właściciel
even though	choć
pure	czysty
to exist	istnieć
to remain	pozostawać
to keep (yourself) out of	trzymać (się) z dala od
as far as possible	na ile możliwe
free market	wolny rynek
enterprise	przedsiębiorstwo
household	gospodarstwo domowe
goods	towary, dobra
income	dochód
member	członek
demand	popyt
side	strona

ANSWER KEY

Ex.1

1. **to compete** = to try to get people to buy your goods and not the ones from other companies
2. **demand** = the need to have certain things
3. **economic** = financial
4. **economy** = the system of producing goods and selling them
5. **free enterprise** = when companies and business can operate without much control
6. **goods** = things that are produced so that you can sell them
7. **government** = the leaders who rule a country
8. **income** = the money you get when you have a job and work
9. **owner** = a person whom something belongs to
10. **private household** = people who live privately in one house
11. **profit** = the money you get from selling things after you have paid your costs
12. **to remain** = to stay
13. **to run** = to be in charge of , to control
14. **services** = work that you do for a person or an organization
15. **supply** = amount of goods that can be sold

Ex.2

1. to run companies
2. to compete with each other
3. to make profits
4. to control the economy
5. to buy goods
6. to have a job

Ex. Grammar corner

1. other
2. others
3. other
4. others