

## Poverty Traps

Remember the poverty trap? Countries stuck in a rut because of weak institutions put in place by colonial authorities, or because of climates that foster disease, or geographies that limit access to global markets, or simply by the fact that poverty is self-perpetuating. It appears, though, that the trap can be escaped. The World Bank has done its annual assessment of poor countries and defined low-income countries as those with average gross national incomes (GNIs) of less than \$1,005 per person per year. There remain only 35 of them out of the countries and economies that the World Bank keeps track of, which is a decrease from 63 in 2000.

Ghana and Zambia have recently joined the new middle-income countries group. Lower middle-income countries are those with per capita GNIs ranging from \$1,006 to \$3,975 per year; while upper middle-income countries are those with per capita GNIs between \$3,976 and \$12,275. The remainder of the low-income countries have a combined population of about 800 million. Tanzania, Burma, the Democratic Republic of the Congo, Ethiopia and Bangladesh account for about half of that total, and there is a population of 350 million surviving on under \$1.25 a day in the rest of the low-income countries.

So what's behind all of this sudden income growth? Is it a story about aid? A prominent Zambian, Dambisa Moyo, believes it is the aid-driven interventions that have directly resulted in a dramatic descent into poverty. Whereas prior to the 1970s, most economic indicators had been on an upward trajectory, a decade later Zambia was in the state of economic disarray. In the 1980s, aid to Zambia averaged about 14% of the country's GNI. In the 2000s, a decade of strong growth, the same proportion was 17%. If Zambia's ruin in the 1980s was the result of aid, is Zambia's graduation to middle-income status in the new millennium a sign that aid now works really well?

Actually neither seems to be applying, since it was the price of copper, Zambia's major export, that was depressed in the 1980s and saw its price skyrocket in the middle of the last decade as China and India's economies grew and demand for the metal peaked. But growth among low-income countries in Africa and elsewhere doesn't all boil down to big mineral exporters. And the continent is fast drawing in more investment. Foreign direct investment to Africa is projected to rise and domestic resources are being mobilized at a faster rate, too.

Even gold and diamond-producing Ghana, which declared itself 63% richer at the end of last year than previously thought, didn't suggest the newfound riches were the result of mineral exports. Instead, the recalculation was driven by the fact the country's services sector was a lot bigger than calculated. Part of that will reflect the incredible success of the telecoms sector - 75% of the country's population are mobile subscribers. And, of course, the expansion of telecoms is a worldwide phenomenon. So a lot of the growth we are seeing in poor countries is broad-based, not just reliant on the current commodity boom - which is good news for the future.

**Ex. 1 Find the words or expressions in the text which mean the following:**

- 1) to make sth easier: \_\_\_\_\_
- 2) powering itself: \_\_\_\_\_
- 3) testing sth in order to give a grade: \_\_\_\_\_
- 4) per head: \_\_\_\_\_
- 5) counted together: \_\_\_\_\_
- 6) important: \_\_\_\_\_
- 7) before: \_\_\_\_\_
- 8) to reach a middle-of-the-range value: \_\_\_\_\_
- 9) to increase very fast: \_\_\_\_\_
- 10) to reach the highest value: \_\_\_\_\_
- 11) quickly: \_\_\_\_\_
- 12) being based on sth heavily: \_\_\_\_\_

***Ex. 2 Match the expressions from the two columns into logical collocations:***

- |                    |                      |
|--------------------|----------------------|
| 1) a poverty       | income               |
| 2) to be stuck     | a return             |
| 3) to limit access | resources            |
| 4) gross national  | of economic disarray |
| 5) to keep track   | boils down to ...    |
| 6) economic        | in a rut             |
| 7) in the state    | trap                 |
| 8) a major         | of sth               |
| 9) it all          | indicators           |
| 10) domestic       | export               |

***Ex. 3 Provide English equivalents of these expressions:***

1) gospodarka	7) główny towar eksportowy
2) pozostały	8) przyciągać inwestycje
3) stanowić	9) zamiast tego
4) skutkować czymś	10) sektor telekomunikacyjny
5) spadek	11) miedź
6) wykazywało tendencję zwyzkową	12) popyt na towary

**Grammar corner...**

The text said something about a country that **saw the prices skyrocketing**. Have you ever thought about what the difference would be if we didn't use the -ing ending? Would the meaning change slightly? Well, it would. If you use the verbs of the senses (see, hear, watch, etc.) with the -ing ending, you say that you only saw, heard, watched a part of the whole thing. Yet, if you use the word without the -ing ending, you mean that you witnessed the whole thing. For instance, I saw those two men fight (from the beginning to the end) OR I saw those two men fighting (I saw only a part of the fight, but I don't know what the result may have been).

**Ex. 4 Fill in the sentences with a word in the correct form.**

- 1) I heard my parents \_\_\_\_\_ (TALK) in the kitchen, but I don't really know what they were discussing.
- 2) My parents are getting a divorce, I heard them \_\_\_\_\_ (TALK) about it in the kitchen!
- 3) Yes, officer, I saw these two men \_\_\_\_\_ (ARGUE), and I can honestly say that the other one was much more aggressive.
- 4) Yes, officer, I saw these two men \_\_\_\_\_ (ARGUE) but I have no idea how it ended.
- 5) I witnessed them \_\_\_\_\_ (GET) married, so I can confirm they are husband and wife.
- 6) I witnessed them \_\_\_\_\_ (GET) married, but I had to leave during the ceremony so I'm not sure if they got through the whole wedding.
- 7) I watched my kids \_\_\_\_\_ (DRIVE) off to college and I started feeling very lonely.
- 8) I watched my kids \_\_\_\_\_ (DRIVE) off to college when I fell down the stairs and lost sight of them.

<b>GLOSSARY</b>	
<b>subscribers</b>	abonenci
<b>to foster sth</b>	sprzyjać czemuś
<b>self-perpetuating</b>	samonapędzające się
<b>an assessment of sth</b>	ocena czegoś
<b>per capita</b>	na głowę / na mieszkańców
<b>combined</b>	łącznie
<b>prominent</b>	ważny / znamienity
<b>prior to</b>	przed
<b>to average</b>	osiągać średnie wartości
<b>to skyrocket</b>	gwałtownie rosnąć
<b>to peak</b>	osiągnąć najwyższe wartości
<b>at a fast rate</b>	w szybkim tempie
<b>a poverty trap</b>	chroniczna bieda
<b>to be stuck in a rut</b>	tkwić w martwym punkcie
<b>to limit access to sth</b>	ograniczać dostęp do czegoś
<b>gross national income</b>	dochód narodowy brutto
<b>to keep track of sth</b>	śledzić coś
<b>economic indicators</b>	wskaźniki gospodarcze
<b>in the state of economic disarray</b>	w stanie ruiny gospodarczej
<b>a major export</b>	główny towar eksportowy
<b>it all boils down to ...</b>	wszystko sprowadza się do ...
<b>domestic resources</b>	zasoby lokalne
<b>an economy</b>	gospodarka
<b>the remainder</b>	pozostali
<b>to account for sth</b>	stanowić
<b>descent</b>	spadek
<b>on an upward trajectory</b>	wykazywać tendencję zwykłkową
<b>reliant on sth</b>	polegający na czymś

<b>to result in sth</b>	skutkować czymś
<b>to draw investment</b>	przyciągać inwestycje
<b>instead</b>	zamiast tego
<b>telecoms sector</b>	sektor telekomunikacyjny
<b>copper</b>	miedź
<b>commodity boom</b>	popyt na towary

**ANSWER KEY:***Ex. 1*

1) to foster sth

2) self-perpetuating

3) an assessment of sth

4) per capita

5) combined

6) prominent

7) prior to

8) to average

9) to skyrocket

10)to peak

11)at a fast rate

12)reliant on sth

*Ex. 2*

1) a poverty trap

2) to be stuck in a rut

3) to limit access to sth

4) gross national income

5) to keep track of sth

6) economic indicators

7) in the state of economic disarray

8) a major export

9) it all boils down to

10)domestic resources

*Ex. 3*

- 1) an economy
- 2) the remainder
- 3) to account for sth
- 4) to result in sth
- 5) a descent
- 6) on an upward trajectory
- 7) a major export
- 8) to draw investment
- 9) instead
- 10) telecoms sector
- 11) copper
- 12) a commodity boom

*Ex. 4*

- 1) talking
- 2) talk
- 3) argue
- 4) arguing
- 5) get
- 6) getting
- 7) drive
- 8) driving