

Eurozone Leaders Agree Fiscal Deal

Difficulty:

AVERAGE

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Discussion activities to be done after completing this EA lesson

Today's report is about last week's meeting to find a solution to the European debt crisis. Where was it held? Which countries most wanted the deal? Did everyone agree? Will it be the required solution?

Extension discussion topics

A. Talking about and going over the specific topic / idea / issue in listening text

Introduction = Why was this deal so necessary? Who did not agree to it? Will it succeed?

1. What do we learn in the report about the negotiations?

- They took place in Brussels.
- Agreement was reached on Friday.
- France and Germany most wanted the deal.
- Britain did not agree.
- EU leaders gave IMF \$260 billion.
- It has to be ratified by all member countries.
- It could be signed by March.

What have you learned since about the reaction of other British politicians to David Cameron's decision? (*Many disagreed, including his coalition partner, Nick Clegg. See: <http://www.politics.co.uk/news/2011/12/11/fracture-eu-veto-sees-clegg-issue-unprecedented-attack-on-ca>*)

2. What prompted the talks?

- Greece, Portugal and Ireland have already had huge bailouts due to their government debt.
- Fears that Spain and Portugal may follow and need even more.
- Value of the euro and European stock markets were falling.
- This was causing pressure on the eurozone and it was becoming probable that it would split up. (not really stated in the report)

3. Which measures adopted in the agreement do we learn about in the report?

- Deficit limits will be enforced.
- Proposed tax on financial transactions.

Do you know of any other details of the agreement? (see:

<http://www.politics.co.uk/comment-analysis/2011/12/12/everything-you-need-to-know-about-the-eurozone-deal-in-five>)

Do you think this deal will present future fiscal crises in Europe?

B. Expanding on (one of) the topics / ideas / issues in listening text

Topic = Politicians.

1. In a democracy, politicians promise to represent the people who elect them. From what you witness in the world news on TV, on radio or on the Internet do you think this is what really happens? Give some examples of why they do or do not achieve this promise.
2. In your country is the government elected or not? How do you think your government performs? Do the politicians act in the interest of their people or of themselves? Give some examples to support your opinions.
3. If you were elected to the government of your country, how would you act; for your people alone or would you also try to benefit your own personal situation (personal wealth, family etc.)? How would this behavior be affected by the political history of your country? (i.e. other people did it so it is OK; I would never be as corrupt as my predecessors...)
4. How much do you think politicians should be paid? According to their performance? If not, at which salary level would you place them? Lawyers? Doctors? Company chiefs? Other professions? Why? Do you think nowadays politicians generally earn too much / not enough? Why? Do you think future earnings affect people's decision to become politicians or not?
5. What kind of people do you think make the best politicians? Why?

C. Extending discussion of (one of) the topics / ideas / issues in listening text

Topic = Debt and you.

1. Do you use a credit card? More than one? What sort of purchases do you use it / them for? Do you always know how much money you owe? Do you pay off your debt each month? Why / why not?
2. Do you have a mortgage (loan) on your property? Why did you take out this loan? Did you feel it was within your capabilities at the time or were you stretching yourself? Do you think you will always be able to repay the loan? How would you feel if you couldn't? What would the penalties be? What would you do if you lost your property because you could no longer repay the loan? (If none apply, how do you think you would feel if you lost your property because you could no longer repay the loan / lost your credit rating because you couldn't make the payments due on your credit card? What consequences would this have?)
3. What is your family's attitude to debt? Have as much as possible? Have as little as possible? Do you agree with that philosophy? Why / why not? What attitude towards debt will / would you teach your children?

Audioscript

France and Germany pushed hard for the deal.

After tough negotiations in Brussels, all 17 European Union members that use the euro, and some other EU nations, agreed to the plan.

That pleased German Chancellor Angela Merkel.

"I am very pleased with the results of yesterday's talks - this is not a foreign compromise for the sake of the Euro. Across the world, people will see that we've learned from mistakes made in the past."

EU leaders hope financial markets will be reassured by the plan's long-term solution to the eurozone government debt crisis. Greece, Portugal and Ireland have already received international bailouts because of their debt, and some analysts fear even greater needs from Spain and Italy.

EU leaders also agreed to give the International Monetary Fund another \$260 billion for programs to keep the current crisis from spreading.

But Britain rejected the deal. It is the strongest of the EU nations that do not use the euro and a major financial center. A proposed tax on financial transactions was one of several issues that raised concerns for British Prime Minister David Cameron.

"What is on offer isn't in Britain's interests so I didn't agree to it."

Stock markets and the value of the euro rose Friday after the deal was announced.

Economists were split about whether the deal would do enough to prevent future fiscal crises and solve the current problems.

In Frankfurt, Germany, Chris Zwermann says it may be just as well that Britain did not agree to the deal.

"We get the possibility to make decisions for the Euro countries, which means 17 countries without any influence from other countries who don't belong in this area."

Deutsche Bank's Stefan Schneider welcomed the agreement to enforce deficit limits.

"Because otherwise, you know, something, you know, 'just let's pull the check book and write a check' - I think that ultimately would cause a serious problem in terms of democracy."

The deal needs final ratification by member countries, and could be signed by March.

Jim Randle, VOA News, Washington.