

TEACHERS: SEE INSTRUCTIONS
ON PAGE 5 OF TEACHERS'
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Global express

The rapid response information series for schools
on world events in the news

What is Argentina like?

"There should be more about South America [in the media]... It is very irritating to live in South America, turn on BBC World and see them run on about Asia today. They even give us the weather all round the world - except South America. The feeling one gets here is that we don't exist."

Glyn Stork, a teacher in Argentina.



Annie Bungeroth/Panos Pictures



Annie Bungeroth/Panos Pictures



Chris Sattleburger/Panos Pictures



Talk with a friend and agree on six things these pictures tell you about Argentina. For example, you can see a beach so what does this tell you?

If you had to choose only three pictures of your own country to show someone overseas, what would you choose? Draw or list them.

Why will we hear about Argentina in the UK this summer?

What else do you know about Argentina? Write or draw anything that comes into your head. If you don't feel you know much why do you think that is?

... The Andes mountain range marks the country's western limits ...

Hopes for the future

Argentina has been having problems because the government has huge debts to other countries which it cannot pay. People have not been able to get money from the banks and many have no work and no way to buy food. There have been riots on the streets and over 20 people have died. These are the thoughts of some young people in the capital of Buenos Aires.

'I am not directly affected but I am aware that people close to me in a greater or lesser degree are, and it worries me and it hurts. I hope that the economic situation improves so that people who don't have work and can't eat, solve their problems'.

Sonia Pero, 17 years old

"Seeing the news every day and listening to what grown ups say I realise what's going on in Argentina. I feel upset about the way a country like this one is managed. I like this country and my house; I don't like to live in it having to suffer with the bad news I hear every day. I would very much like this country to change and for people to be happier again."

Joaquin Ingouville, 11 years old

"I have always dreamed of Argentina as a better place. No wonder my dream never came true. I am big enough to understand, to figure out, what Argentina is like. Passing through the streets of Buenos Aires and seeing the frustrated faces of the people, noticing the large queue in the banks and people working on the streets - it isn't the type of country I dreamed. Although I believe in some way Argentina has a future, the trust beyond the government is not strong. I think all of Argentina's citizens must help to create a better country."

Damasia Leloir, 13 years old

"Walking daily through the streets of Buenos Aires is now a constant warning for me, and I suppose for many other people as well. I feel that I am not safe on the streets, because there is no trust in people. I am positive that Argentina has a future only if all the citizens in it want a better country and a better way of living. Also justice, in my view, is very important. Most of all, politicians should do their job because they want to make the most of the country - not to steal or make deals between themselves".

Maria Ingouville, 13 years old




Read and discuss these quotes with a friend.

Underline three ways in which the young people are concerned about the present.

Underline (in a different colour) three ways in which the young people think citizens of Argentina could make a better future. What action could young people take to make things better?

If you met these young people what would you like to ask or say to them?

Defining the economy

 Match the word with its definition.

1 Recession 2 Debt 3 Economy 4 Devaluation 5 Inflation

A The way a country uses its resources such as its land, people and minerals to produce wealth - that is goods (e.g. computers, paper) and services (e.g. banking, nursing). When thinking about a country's economy we must consider how this wealth is distributed among the people and how some of it is traded with other countries.

B When related to the economy, this term refers to ongoing increases in the price of products and services. (In 2000 the inflation rate in the UK was 2.4% - prices went up on average by 2.4% during the year. During the 1980s prices increased by up to 200% a month in Argentina.)

C A decrease in the value of a country's currency (money) or the exchange value of a country's currency relative to other currencies. (The Argentine Peso has been devalued from 1 Peso = US\$1 to 1 Peso = US\$0.71)

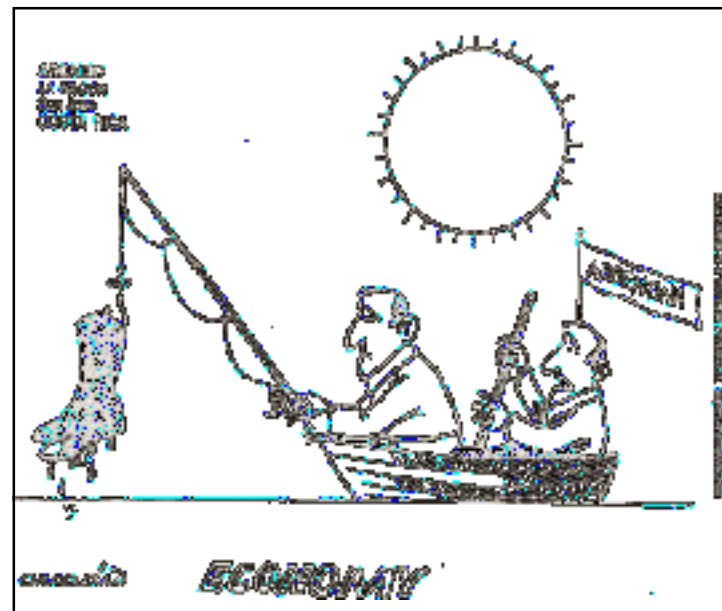
D Countries need money to pay for the costs of their schools, hospitals, police, pension payments, unemployment insurance etc. When countries, like people, spend more money than they have, they often borrow money from banks. Money borrowed that has not been paid back is called a debt.


E A period when things are not going so well for businesses. Many companies might start to lay off employees to cut down on costs since people are not buying as much. Companies therefore are not making as much profit (getting more money than they are spending). In a recession a country may have a high level of unemployment and many businesses may close.

Argentina and its economy

- Argentina is Latin America's third largest economy
- Argentina's debt is one seventh of the total debt held by all developing countries
- 44% of the population (14 million people) live below the poverty line
- Since 1991, 45% of Argentine pupils have left secondary school because of lack of money
- Unemployment has reached 18.3%, the highest in the country's history
- The country has been experiencing a recession for over three years
- Public Debt stands at US\$132 billion

Source: ECLAC and Latin America Press



 Discuss this cartoon with a friend. Can you explain what it means using some of the words and information in the definitions above?

Struggling with debt

- ◇ The global debt crisis emerged following the 'oil shocks' of 1973 and 1979 when oil producing countries raised the price of oil hugely. This had terrible effects on less economically developed countries. These Southern countries had no choice but to keep buying oil but had to borrow money to do so.
- ◇ This added to the difficulties of these countries who had steadily been getting less and less for their raw materials (eg. copper) and were having to pay more and more for their imports. This resulted in steadily growing debts.
- ◇ Oil exporting countries were overflowing with money which they paid into rich Northern countries' banks. These countries' banks and governments were then keen to lend money to poorer countries which only made matters worse.
- ◇ Growing interest rates (the rate at which the money had to be paid back) and a global recession then resulted in many countries in the world including Argentina owing more than they could ever repay.
- ◇ Recently there has been extensive campaigning around the world for the debts to be cancelled - meaning they need never be repaid - as it is recognised that the debts have become an impossible burden. The UK has been among some richer countries that have cancelled debts owed.

Source: *A to Z of World Development*, NI, 1998

Quotes

"When we talk about balancing the public expense, the needs of the population at large must be considered along with one of the golden rules of finance: don't spend more than you earn, except during brief periods, and with a clearly defined purpose. A century ago Argentina was almost as rich as the United States. Sixty years ago it was richer than Italy and Japan.... And now?"

Jorge A de la Melena Maritegui, *World Paper*, 16.1.02

"After embracing free-market reforms in the early 1990s, prompting runaway public spending and corruption, Argentina's economy stalled during the financial crises that hit East Asia, Russia and Brazil later in the decade. Other countries recovered, but Argentina lingered in recession, failing to increase exports or create jobs because of its relatively high manufacturing and food production costs and, in some cases, its uncompetitive industries."

Anthony Faiola, *Washington Post Service*, 14.1.02

"For a country that hopes to live in peace, five changes of authority in 13 days is not an encouraging sign. There are huge queues of people outside the banks. The new measures are not yet clear. I'll be back out on the streets banging a pot in protest if the government does not respond to the crisis. For over 50 years we have had to bear corruption and arbitrary measures. I ask myself everyday what is going to happen tomorrow. I do feel attacked, destroyed. What can you feel when you read that 50% of our professionals are out of work? Our country does not deserve this. It is all because of rotten leadership. They have amassed debts and kept the money for themselves."


Julia Marini, an Argentinian pensioner, *People's Story*, BBC, 9.1.02


Gross debt in Latin America


(US\$ millions)

Country	1991	2000
Argentina	61,334	147,000
Bolivia	3,582	4,400
Brazil	123,811	235,000
Chile	17,319	36,000
Colombia	17,335	36,000
Ecuador	12,802	14,255
Mexico	117,000	163,200
Peru	20,787	27,600
Uruguay	2,949	5,550

Source: ECLAC (Economic Commission for Latin America and the Caribbean)

 Make a new table of the Latin American country debts putting them in the order of the largest first and the smallest last. Work out how much Argentina owes in pesos (now 0.71 pesos to 1 dollar) and British pounds (0.70 pounds to 1 dollar).

 Underline all the suggested reasons for debt in Argentina in these pieces of writing. Which reasons are ordinary people in Argentina most likely to feel that they can do something about? Which reasons for debt in Argentina could you do something about? What could you do?

 Discuss with a friend. Why do people get into debt? Do you think it is the same for countries? Do you think it is wrong to be in debt? What problems can it cause people? What problems might it cause countries? Read the pieces again for some clues.

... A recent poll showed that one-third of people in Argentina would leave if they could ...