

[illegible]

The worst and most emblematic economic crisis in modern history was the Great Depression, further to the Wall Street stock market crash of 1929 (Black Tuesday). The consequences of the slump in the price of shares caused many banks to go bankrupt, after years of rampant speculation and a disconnection between prices and the actual value of stocks. In the following months, the industrial production declined and the unemployment rate soared to 25 percent of the working population. After a slight improvement in 1931, another crisis occurred, that contaminated most European economies, which decided to devalue their currencies. The fallout was dramatic and the effects on trade were devastating. The election of Franklin D. Roosevelt in 1932 was the opportunity to take radical action and start a recovery process, termed the New Deal. On Inaugural Day, he declared that *"the only thing we have to fear is fear itself."* The crisis did not come to an end until war broke out in Europe in 1939.

The word comes from Latin from *capitalis*, from *caput* 'head.' As explained in Wikipedia, the term "stock" is derived from the Old English word for stump or tree trunk. It has been used to refer to all the moveable property of a farm since at least 1510. In Middle Ages France, contracted loans interest specified payment in heads of cattle as a unit of capital. Adam Smith defines capital as *"that part of a man's stock which he expects to afford him revenue"*. Karl Marx defines it rather as wealth that originates in the process of circulation itself. Capitalism, also termed free market economy is the major economic system in the Western countries. It is defined mainly by the privately-owned means of production (trade and industry) and the distribution of income through financial markets. Broadly speaking, there are different forms of capitalism, the varying factors being state intervention, competition in markets, definitions of private property and importance of social policies.

*"You can't tax business. Business doesn't pay taxes. It collects taxes."* Ronald Reagan

page 4-5 : language exercises : coordination and subordination (generalities) : Unit 37 and annexes (Subordination)

## SECTION 8B - Business, finance and trade

ECONOMIC SYSTEMS	LES SYSTEMES ECONOMIQUES
capitalism	le capitalisme
capital	le capital
liberalism	le libéralisme
liberal	libéral : 1/ partisan du libéralisme économique 2/ progressiste
<i>laissez-faire</i>	le laissez-faire économique
protectionism	le protectionnisme
to nationalise	nationaliser
a tax / taxation	une taxe, un impôt / l'imposition
to develop / development	développer / le développement
to rise, to increase, to go up	augmenter, croître
growth	la croissance
a fast-growing economy	une économie en pleine expansion
to thrive	prosperer
to fall, to decrease, to go down	diminuer, baisser
recession	la récession
a boom / to thrive	un plein essor / prospérer
a slump / to collapse	une forte baisse / dégringoler, s'effondrer
an economic crisis	une crise économique
an economic downturn / the recovery	une récession / la reprise économique
a downswing	une décroissance, un ralentissement
gloomy prospects	des perspectives sombres
steady	régulier, constant
an economic policy	une politique économique
to boost the economy	soutenir l'économie
the economic stagnation	la stagnation économique
inflation / deflation	l'inflation / la déflation
the inflation rate	le taux d'inflation
stagflation	la stagflation (inflation et stagnation économique)
austerity measures	des mesures d'austérité
a wage freeze	un gel des salaires
the Chancellor of the Exchequer	le ministre des finances britannique
the Secretary of the Treasury	le Secrétaire du Trésor américain

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to default	ne pas honorer une dette
default	le défaut de paiement
<b>MONEY</b>	<b>L'ARGENT</b>
a coin	une pièce
change, spare change	de la petite monnaie
a banknote, a bill	un billet
a cheque (GB) / a check (US)	un chèque
a bank / a banker	une banque / un banquier
a branch	une agence bancaire
a bank account	un compte bancaire
to open / to close a savings account	ouvrir / fermer un compte d'épargne
a credit card	une carte de paiement
an ATM (automatic teller machine), a cash point	un distributeur automatique de billets (DAB)
to cash / to withdraw	encaisser / retirer (de l'argent)
to be thrifty	être économe
to be spendthrift	être dépensier
to be stingy	être radin, avare
to save up / savings	économiser / des économies
a monthly payment	une mensualité
a deposit	une caution, un acompte, un dépôt
an overdraft	un découvert
a dud cheque, a rubber cheque	un chèque en bois, sans provision
to be in the red	être dans le rouge
to be in the black	avoir un solde créditeur
a (credit) balance	un solde (créditeur)
to change money	changer de l'argent
to buy foreign currency	acheter des devises
the pound sterling	la livre sterling
a dollar, a euro, a yen	un dollar, un euro, un yen
a quarter	25 cents de dollar US

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<b>FINANCE</b>	<b>LA FINANCE</b>
the Stock exchange	la Bourse
a stock, a share	une action (terme général / d'une entreprise)
a stockholder, a shareholder	un actionnaire
a broker	un courtier
a trader	un opérateur en bourse, un trader
insider trading	le délit d'initié
to speculate / speculation	spéculer / la spéculation
to fluctuate	fluctuer
to appreciate / depreciate	prendre de la valeur / se déprécier
to soar / to drop	monter en flèche / chuter
the bull market	le marché haussier
the bear market	le marché baissier
to be in the doldrums	être en plein marasme, stagner
return on investment	le retour sur investissement
to insure / an insurer	assurer / un assureur
an life insurance policy	une police d'assurance-vie
a financial transaction	une transaction financière
a commercial bank	une banque d'affaires
a bailout plan	un plan de renflouement, de subvention
debt / the debt crisis	la dette / la crise de la dette
the foreign exchange market (the Forex)	le marché des devises
the exchange rate	le taux de change
a currency	une monnaie, une devise
the single currency	la monnaie unique
to owe	devoir
a loan / to borrow	un prêt, un emprunt / emprunter
a mortgage	un prêt, une hypothèque
the principal / the interest	le capital / les intérêts
to pay back / a repayment	rembourser / un remboursement

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a dime	10 cents US
a fiver	un billet de £5
to pay cash	payer comptant
<b>BUSINESS AND TRADE</b>	<b>LES AFFAIRES ET LE COMMERCE</b>
business	les affaires
a trade surplus	une balance commerciale excédentaire
a trade deficit	une balance commerciale déficitaire
a businessman / -woman	un homme / une femme d'affaires
a business centre / a trade centre	un quartier d'affaires
a business	une entreprise, une affaire
to lead a busy life	mener une vie très occupée
a medium-sized business	une PME (petites et moyennes entreprises-)
a family business	une affaire / entreprise familiale
profit	le profit, le bénéfice
deficit	le déficit
the turnover	le chiffre d'affaires
to benefit	profiter à, être utile à
profitable	rentable
profitability	la rentabilité
the yield / the output	le rendement
losses	les pertes
to do / lose business	faire des affaires / perdre de la clientèle
a deal	un accord, une affaire
to strike a deal	conclure un accord
a corporation	une société, une entreprise
a firm, a company	une entreprise, une compagnie
a limited-liability company	une SARL (société à responsabilité limitée)
a multinational	une multinationale
a group / a branch	un groupe / une succursale
a subsidiary	une filiale
a merger / to merge	une fusion / fusionner

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a department	un service (dans l'entreprise)
the board of directors	le conseil d'administration
a managing director, a CEO (chief executive officer)	un directeur général, un PDG
a sales manager	un directeur des ventes
a personnel resources manager / director	un directeur des ressources humaines (DRH)
the management	la direction
a head of department	un chef de personnel
to downsize / to upsize	réduire / augmenter les effectifs
the corporate culture	l'esprit / la culture d'entreprise
the corporate identity	l'image de marque d'une société
economic / economical	ayant trait à l'économie / peu coûteux
<b>THE MARKET</b>	<b>LE MARCHÉ</b>
a supplier / to supply	un fournisseur / fournir
a retailer / to retail	un détaillant / vendre au détail
a shopkeeper	un commerçant, un marchand
a wholesaler / wholesale	un grossiste / la vente en gros
domestic / home trade	le commerce intérieur
international trade	le commerce international
stock management	la gestion des stocks
storage / a warehouse	le stockage / un entrepôt
an order / to order	une commande / commander
an invoice / to invoice sb for sth	une facture / facturer qch à qqn
VAT(value-added tax)	la TVA (taxe sur la valeur ajoutée)
to cut / to slash prices	baisser / casser les prix
the leader	le numéro 1
a challenger, a competitor	un rival, un concurrent
to grab a market	prendre un marché
competition / to compete with	la concurrence / concurrencer
to target	cibler

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<b>Money</b> does not grow on trees	l'argent ne pousse pas sur les arbres
to get one's <b>money</b> worth	en avoir pour son argent
a <b>miser</b> will father a <b>spendthrift</b> son	à père avare fils prodigue
a <b>cheap</b> shot	un coup bas
on the <b>cheap</b>	au rabais
life is <b>cheap</b>	la vie est sans importance
to cut <b>costs</b> / to cut corners	rogner sur les dépenses
to <b>brand</b> sb as sth	désigner qqn comme qch
<b>branded</b> in the memory	inscrit, gravé dans la mémoire
to give somebody a <b>free</b> hand	donner carte blanche à qqn
<b>free</b> as a bird	libre comme l'air
she's really <b>coining</b> it	elle sait faire des affaires
two sides of the same <b>coin</b>	les deux facettes d'un même problème
to pay sb back in the same <b>coin</b>	rendre à qqn la monnaie de sa pièce
a <b>position</b> of trust	un poste de confiance
<b>tried</b> and <b>trusted</b> methods	des méthodes fiables, prouvées
in <b>company</b>	en société
to keep bad <b>company</b>	avoir de mauvaises fréquentations

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a breakthrough	une percée, une victoire
a monopoly	un monopole
a market share	une part de marché
a bid, a tender	un appel d'offre
the cost / purchase price	le prix de revient / le prix d'achat
aggressive	agressif
a customs tariff	un tarif douanier
customs duties	les droits de douane
the customs (services)	les douanes
the balance of trade	la balance commerciale
a trade war	une guerre commerciale
supply and demand	l'offre et la demande
imports / to import	les importations / importer
exports / to export	les exportations / exporter
to shelter	protéger
a sheltered market	un marché protégé
quotas	les quotas
an economic blockade	un blocus économique
to enforce sanctions	appliquer des sanctions
trustbusting	les lois anti-trust
a free-market economy	l'économie libérale
to set up	fonder, monter
a product / to produce	un produit / produire
a brand, a make	une marque
<b>BONUS</b>	
mind your own <b>business</b>	mêle-toi de tes affaires
<b>business</b> is business	les affaires sont les affaires
the <b>customer</b> is always right	le client a toujours raison
time is <b>money</b>	le temps c'est de l'argent
<b>money</b> talks	avec l'argent on obtient tout
to spend <b>money</b> like water	l'argent (lui) file entre les doigts

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## EXERCISE 1: COORDINATION AND SUBORDINATION (Generalities)

**Instructions:** Below are ten complex sentences. Complete each with the **most appropriate subordinating conjunction** from the list. Each conjunction should be used **only once**. Be attentive to the **subtle semantic differences** between them.

after – as – since – whenever – until – before – when – once – while – by the time

1. \_\_\_\_\_ the audit team flagged severe labor violations, the company's public image had already suffered.
2. Executives are reminded of the human cost of automation \_\_\_\_\_ they visit overseas factories.
3. \_\_\_\_\_ global supply chains expanded, tracking the ethical origin of products became more complex.
4. The report on ecological impact was submitted \_\_\_\_\_ the shareholders' meeting began.
5. The small cooperative had barely survived \_\_\_\_\_ the Fair Trade certification brought them new visibility.
6. \_\_\_\_\_ the new tax regulation came into effect, several major corporations rushed to restructure.
7. \_\_\_\_\_ the whistleblower revealed the illegal dumping, environmental NGOs mobilized instantly.
8. The factory will not reopen \_\_\_\_\_ a new agreement on working hours is signed.
9. The retailer's popularity soared \_\_\_\_\_ it launched its inclusive employment program.
10. Several companies were exposed for greenwashing \_\_\_\_\_ the consumer protection agency began its investigation.

## EXERCISE 2 - English Translations and Explanations:

*Phrasal verbs - Translate the following sentences from French to English*

1. Ils investiront davantage s'ils obtiennent un meilleur taux d'intérêt.
2. Comme le marché est instable, les entreprises hésitent à embaucher.
3. Nous avons trouvé une solution qui réduira les coûts.
4. Il a expliqué qu'il n'avait pas les fonds nécessaires.
5. Bien que la crise soit passée, la prudence reste de mise.

### EXERCICE 3- VERSION DE PRESSE

#### Extraits adaptés de : Le capital au XXIème siècle, Thomas Piketty

La répartition des richesses est l'une des questions les plus vives et les plus débattues aujourd'hui. Des moyens existent pour que la démocratie et l'intérêt général parviennent à reprendre le contrôle du capitalisme et des intérêts privés tout en repoussant les replis protectionnistes et nationalistes.

Depuis les années 1970, les inégalités sont fortement reparties à la hausse dans les pays riches notamment aux États-Unis. L'histoire de la répartition des richesses est toujours une histoire profondément politique et ne saurait se résumer à des mécanismes purement économiques.

L'histoire des inégalités dépend des représentations que se font les acteurs économiques, politiques, sociaux, de ce qui est juste et de ce qui ne l'est pas, des rapports de force entre ces acteurs, et des choix collectifs qui en découlent.

### EXERCISE 4 - PHONETICS

1. Entrepreneur (... yes, again I insist) – /,ɒn.trə.prə' nɜːr/
2. Asset – /'æ.set/
3. Liability – /,laɪ.ə'bɪl.ə.ti/
4. Equity – /'ek.wɪ.ti/
5. Revenue – /'rev.ən.juː/
6. Dividend – /'dɪv.ɪ.dend/
7. Inflation – /ɪn'fleɪ.ʃən/
8. Deficit – /'def.ɪ.sɪt/
9. Investment – /ɪn'vest.mənt/
10. Shareholder – /'ʃeə.həʊl.dər/
11. Merger – /'mɜː.dʒər/
12. Acquisition – /,æk.wɪ'zɪʃ.ən/
13. Corporation – /,kɔː.pə'reɪ.ʃən/
14. Tariff – /'tær.ɪf/

## Might-have-beens

### A Lloyd's report urges insurers to ask "what if?"

*Counterfactual risk analysis might improve underwriting*

Adapted from The Economist, Oct 19th, 2017

ON JULY 7th disaster was narrowly averted when an Air Canada passenger plane, trying to land on a full taxiway at San Francisco airport, pulled up just in time. Five seconds longer, and it might have crashed into fully loaded planes and killed over 500 people, in potentially the deadliest aviation disaster ever. Instead, the incident became a non-event—not just in collective memory but also in insurance. With no losses, there was nothing to log. Yet ignoring such near-misses, argues a report published this week by Lloyd's of London, an insurance market, and RMS, a risk-modeller, is a missed opportunity.

Counterfactual "what if" thinking may be an enjoyable pastime for historians—"What if Hitler had been assassinated?" being one favourite—but is not common among underwriters\*. They prefer to base estimates of future risk—and hence premiums—on hard data of what happened in the past, eg, the number of aeroplanes that crashed and the total losses incurred. Since actual aviation losses have been light this year compared with previous years, they may well conclude that such risks are falling. Particularly in a weak market for insurance, where pressure on prices is constant, the temptation to lower premiums merely because losses have been low can be dangerous, warns RMS's Gordon Woo, a "catastrophist" (ie, specialist in the mathematical modelling of extreme risks).

For common perils, such as car crashes or burglaries, plenty of data are available, allowing confident predictions based on the past. But for unusual, emerging or extreme risks—such as natural catastrophes, cyber-threats or terrorism—the lack of precedents means such methods can be inadequate. This leaves underwriters with blanks to fill in, particularly around how frequently a rare event—a tsunami, say, or an epidemic—might occur and what the maximum losses could be. Models which run hundreds of thousands of loss simulations can help fill in such blanks but are not perfect. And the lack of real-life data makes accurately underwriting an event that has never happened very hard.

To make up for such shortcomings, the report calls on the industry to keep an alternative-claims book in which they record hypothetical losses from near-misses (such as the Air Canada plane) and could-have-been-worses ("suppose Hurricane Irma had hit Miami"), multiplied by their probability. They could then use this as an underwriting aid. By this logic, because the chance of Irma's striking Miami was roughly 20%, and it would have increased estimated maximum losses by \$100bn, this would be recorded as an additional potential loss of \$20bn. Besides deepening the data pool on which underwriters base risk assessments, such calculations could help regulators submit catastrophe models to stress tests.

Today it is hard for insurers to raise premiums, though this may change once hurricane-season claims come in. In this context, some might be tempted to undercharge for risk, says Mr Woo, adding that now more than ever "insurers would benefit from looking at the past as just one realisation of what might have happened".

\*underwriter: assureur

**Question 1:** Why would insurers benefit from looking at the past in a different way, according to the article? Answer the question in your own words (80 mots).

**Question 2:** To what extent could it be said to be normal to "ignore near-misses" in everyday life? Illustrate your answer with relevant examples. (180 mots)

## Might-have-beens (proposition de corrigé)

### QUESTION 1:

So far insurers have always based their premiums on data dealing with events that actually took place in the past, and ignored what might have happened that would have turned out to entail much bigger losses. Not taking into account all these "near-misses" while assessing risks prompts underwriters to undercharge for

risk. Keeping a record of hypothetical losses would enable regulators to foresee additional potential losses since some catastrophes not having yet taken place doesn't mean they never will, and make them charge people more. **(85 words)**

So far insurers have always based their premiums on data dealing with events that actually took place in the past, and ignored what might have happened that would have turned out to entail much bigger losses. Not taking into account all these "near-misses" while assessing risks prompts underwriters to undercharge for risk. Keeping a record of hypothetical losses would enable regulators to foresee additional potential losses. Indeed, some catastrophes not having yet taken place doesn't mean they never will, and insurers should, according to the article, not only take into account the worst that happened but the even worse that might have! Otherwise when the latter actually occurs, they are bound to realize they didn't charge enough for people to be insured. **(102 words)**

## QUESTION 2

Hardships and ordeals are numerous enough in everyday life for us to often be worried. What if people also paid attention to what could have been worse, to all the near-misses they fortunately did not have to face but nonetheless could have occurred? I guess in such case life would become unbearable and turn into a dreadful nightmare filled with all the catastrophes one narrowly escaped.

It is downright normal for people to ignore these might-have-beens (such as scaffolding crumbling down onto one's head or being run over at a crossroads or being mugged in a bus...if one had been at the wrong place at the wrong moment, one minute earlier) and to focus only on what really happens to us!

As the saying goes, ignorance is bliss, and it seems we already worry too often about things that might turn out wrong and never actually do – not to take into account all that near-missed!

However, in some circumstances such as terrorist attacks for instance, it seems one can't be prevented from focusing on what might have happened to them if they had been there five minutes before... **(188 words)**

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As the saying goes, ignorance is bliss, and it seems we already worry too often about things that might turn out wrong and never actually do – not to take into account all that near-missed!

However, in some circumstances, one can't be prevented from focusing on what might have happened to them if they had been there five minutes before: after a terrorist attack for instance, one is likely to feel guilty at having been able to escape, at not being among the casualties, or merely at not having realized that life is not to be taken for granted. **(219 words)**