

Unit 6.1: Microloans: breaking the cycle of poverty

LISTEN

- D**  **2.11**  **1.25** **LISTEN FOR MAIN IDEAS** Listen to each segment of the lecture. Choose the statement that best expresses the speaker's main idea in each segment.

Segment 1

- _____ 1. Many people in the world live in poverty.
_____ 2. The interest on microloans is very low.
_____ 3. Microloans can help people in poverty.

Segment 2

- _____ 1. Education offers the best way out of poverty.
_____ 2. Education can make microloans more effective.
_____ 3. Microloans are not as effective as some aid agencies say they are.

- E**  **2.12** **LISTEN FOR DETAILS** Read the notes below. Then listen to segment 1 of the lecture and complete the notes with the correct symbols.

What is Gulu like?

_____ ₁ 50% live in poverty

> half _____ ₂ farmers

How do microloans work for Gulu farmers?

Microloans _____ ₃ regular bank loans; collateral (house) not needed

Loans \$50 _____ ₄ \$100; no collateral needed

Interest rates _____ ₅ 35%

After microloans _____ ₆ farmers invest in farms

_____ ₇ bigger profits

Part of the profits _____ ₈ payment of loan

F  **2.13** Listen to segment 2 of the lecture. Write the missing word(s) in the excerpts below

1. "I have given money to organizations that make microloans.
_____ they are the most effective way to help poor people."
2. "That depends on your what your measure is. There is some evidence of success. First, _____ that borrowers almost always pay back the loans."
3. "Borrowers almost always pay back the loans—about 95 percent. In addition, _____ by researchers at the Massachusetts Institute of Technology _____ that microloans help one group the most: people who already own a business."
4. "No, I wouldn't, because _____ such small amounts of money can make much of a difference."
5. "Well, you are right. These _____ that the loans resulted in no change in the usual measures of poverty."
6. "There is another way to look at the situation, though. Although economic experts do _____ that people in poverty often remain poor after they take out a microloan, the same _____ also _____ that loans allow the families to become more financially stable."
7. "_____ aid suggests that this kind of support increases the chance that microloans will help people break the cycle of poverty."

AFTER YOU LISTEN

H **THINK CRITICALLY Analyze.** Work with a partner. Complete the sentences with information from the lecture.

1. What are three ways in which microloans have been successful?
 - a. Ninety-five percent of borrowers _____.
 - b. Microloans help people who _____ to get ahead
 - c. Microloans help poor families become _____.