

Poverty:

THEORY:

absolute poverty:

when individuals cannot afford to obtain

basic necessities: shelter, water, nutrition, healthcare

as of 2022 this is defined as less than \$1.90 a day

relative poverty:

when a household income is a certain % less than

the median income in an economy

house poverty relative to other households

as of 2022 this is defined as less than 60% of £2072 per month

sources of change (absolute):

economic growth \propto decrease in absolute poverty

↳ as economic growth raises household income

gov. tax & benefit policies

↳ support the most vulnerable

sources of change (relative):

rising asset prices

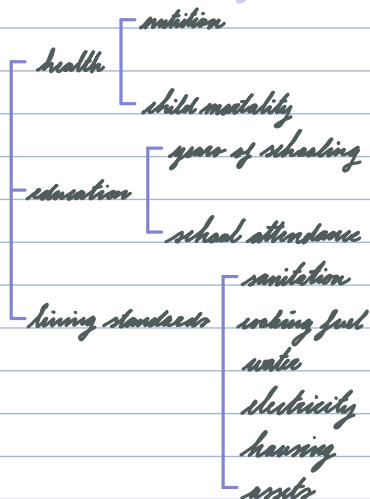
↳ increase household wealth

trade liberalisation increase potential market size & output

↳ \uparrow in demand for labour & \uparrow wages

↳ additional income resulting in multiplier effect

dimensions of poverty: MPI



Definition x.01:

the value assigned to a household

measuring the n. of indicators they are deprived of