

# Exercise walk-through

Poverty ■ 5.2

eXercise

## You must be able to

- distinguish absolute from relative poverty
- explain the causes of poverty
- analyse policies to reduce poverty

## Method — Two types of poverty

- **Absolute poverty** 绝对贫困: cannot afford even basics (food, clean water, shelter).
- **Relative poverty** 相对贫困: poor *compared with others* in the same country.
- **Causes:** low income/wages or unemployment, poor education and health, old age, large families.
- **Policies:** **economic growth** 经济增长, **redistribute** 再分配 income, a **minimum wage** 最低工资, **benefits** 福利, better state education/healthcare.

**Answer shapes:**  $K + App + An + Ev$  (a justified judgement, for discuss questions).

## Method — Two types of poverty

### **Absolute poverty**

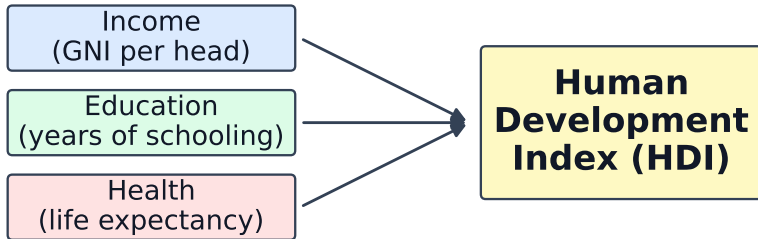
cannot afford basic needs:  
food, clean water,  
shelter and clothing

### **Relative poverty**

poor compared with others  
in the same country —  
can afford basics,  
but much less than most

*Absolute poverty (cannot afford basic needs) versus relative poverty*

## Method — Two types of poverty



Exam:  $HDI = \text{income} + \text{education} + \text{health}$  — broader than GDP alone for living standards

*The HDI combines income, education and health into one number*

## Practice 2.1 ■ 2 marks

Define the term *absolute poverty*.

## Solution 2.1

Method: Two types of poverty

### Worked steps

when people cannot afford even the basic needs of food, clean water, shelter and clothing (2 for a clear definition; 1 for a partial idea).

## Practice 2.2 ■ 2 marks

State the difference between absolute and relative poverty.

## Solution 2.2

Method: Two types of poverty

### Worked steps

absolute poverty means lacking basic needs; relative poverty means being poor compared with most others in the same country (2 for a clear difference; 1 for a partial idea).

## Practice 2.3 ■ 2 marks

State two causes of poverty.

## Solution 2.3

Method: Two types of poverty

### Worked steps

any two of: low income/wages; unemployment; poor education or health; old age; large families (1 + 1).

## Exam-style 3.1 ■ 1 mark

A person who can afford the basics but earns far less than most others in their country is in:

**A** absolute poverty

**B** relative poverty

**C** no poverty

**D** unemployment

## Solution 3.1

Method: Two types of poverty

**A** absolute poverty

**B** relative poverty 

**C** no poverty

**D** unemployment

### Worked steps

**B.** Being poor compared with others in the same country is relative poverty.

## Exam-style 3.2 ■ 4 marks

Explain two policies a government could use to reduce poverty.

## Solution 3.2

Method: Two types of poverty

### Worked steps

[4] For **each** of two policies:  $K_1 + A_n 1$  — *benefits*: cash payments raise the income of the poorest → less absolute poverty; *minimum wage*: a legal lowest wage raises the pay of low-paid workers → fewer of the working poor.

## Exam-style 3.3 ■ 8 marks

Discuss whether economic growth is the best way to reduce poverty.

## Solution 3.3

Method: Two types of poverty

### Worked steps

[8] K/App/An up to 5 + Ev up to 3. **For growth:** a growing economy creates jobs and incomes, and gives the government more tax to fund help for the poor. **Against:** if the gains go mostly to the rich, growth can leave the poor behind (relative poverty may even rise), and growth alone does not guarantee schools, healthcare or benefits reach them. **Judgement (Ev):** growth helps reduce poverty when its gains are shared, but it works best combined with redistribution and better services — so it is not enough on its own.