Solutions

IGCSE Economics answers are marked by **level of response**: award **K** knowledge, **App** application, **An** analysis and **Ev** a justified judgement.

Each answer shows the steps, then the **result**.

2.1

- **absolute poverty** is when people cannot afford even the **basic needs** of food, clean water, shelter and clothing (K)

2.2

- **absolute** poverty means lacking basic needs; **relative** poverty means being poor **compared with most others** in the same country (K)

2.3

- any **two** of: **low income/wages** / **unemployment** / **poor education or health** / **old age** / **large families** (K, K)

3.1 B

- being poor compared with others in the same country is **relative poverty** (K)
- A is lacking basics; C and D are not this definition

3.2

- for **each** of two policies: K + An
- e.g. **benefits**: cash payments raise the income of the poorest → less absolute poverty
- e.g. **minimum wage**: a legal lowest wage raises the pay of low-paid workers → fewer of the working poor

3.3

- **for growth**: a growing economy creates jobs and incomes, and gives the government more tax to fund help for the poor (K + An)
- **against**: if the gains go mostly to the rich, the poor can be left behind; growth alone does not guarantee schools or benefits reach them (An)
- **judgement (Ev)**: growth helps when its gains are **shared**, but it works best with **redistribution** — it is not enough on its own