

exploitation of power for personal gain. Its decay in developing countries you move away from productive efficiency.

Poverty

Absolute and Relative Poverty

Absolute poverty – When your circumstances make it difficult to survive. Categorized by things like hunger and malnutrition, access to clean water and sanitation. Absolute poverty is about \$1.25 a day.

Relative Poverty – Where you relate with society.

- Relative poverty is a problem however the elimination of absolute poverty is a major economical goal. There is a cycle to poverty that makes it very difficult to get out of.
- The vicious circle of poverty shows the cyclical trap of poverty. It shows how lower incomes perpetuate lower incomes, however people have been pulled out from poverty.

The diagram below is a typical cycle of poverty:

