

Lesson 2 – What Causes Poverty?

The Vicious Circle of Poverty

The World Bank describes people as poor if they have less than 1.25 US dollars per day to live on, which is a little more than 30 euros a month. According to this definition, about 20 percent of the world's population, or 1.5 billion people, are classified as poor.

But being poor does not only mean that people cannot provide themselves with sufficient vital goods and services. Those who are poor do not have a share in important areas of social life. He or she has no possibility to shape life on his or her own responsibility and such persons usually have no possibility of political influence.

Poverty has many faces: low levels of education and training, unemployment and underemployment, poor living conditions, malnutrition and even starvation, poor health, a low life expectancy and much more.

The causes of poverty are complex and yet have one thing in common: the poor have too little incomes and assets. And poverty is hereditary. Evidence shows that children from poor families are frequently affected by poverty when they become adults, as are their children. People in poverty generally have worse starting conditions in society, economic life and politics.

Why is that the case?

Why are people unable to earn enough money – and why do they pass this condition on to their children?

(Text by Dr Peter Kührt)

Task:

What mechanism prevents children from lifting themselves out of poverty with great difficulty? Sketch a graph that clearly explains and clarifies the causes and entrenchment of poverty.

You can present your results in different formats (poster, sketch, PowerPoint).

The Nobel Poster “Addressing the root causes of poverty” provides an introduction to the task – download the German version at:

<https://www.mediatheque.lindau-nobel.org/GetFile?id=38547>

The English Version is available here:

<https://www.kva.se/en/publicerat/ekonomipriset-2019-nobelaffisch>