

Worksheet 2 | Key concepts

What is poverty?

Poverty has many different definitions, most taking income as a base. The World Bank defines poverty as “a person is considered poor if his or her income level falls below some minimum level necessary to meet basic needs”. This minimum level is usually called a poverty line. What is necessary to satisfy basic needs varies across time and societies, therefore the poverty line varies as well. Each country assesses a minimum which is appropriate to its level of development, societal norms and values.

Absolute poverty: This is poverty measured in relation to the amount of money needed to meet basic needs such as food, clothing and shelter. It defines those living under the poverty line as poor. Absolute poverty is not concerned with overall well-being or inequality, but only with severe deprivation of basic needs.

Relative poverty: This is poverty where the income level and resources of a person are significantly lower than the national average, thus making it impossible for that person to have an acceptable standard of living for that society. People living in relative poverty might experience low income, bad housing, unemployment and barriers to learning.

What is sustainable development?

Sustainable development can be interpreted in many different ways, but essentially it is the development that meets the needs of the present without compromising the ability of future generations to meet their own needs. Living within our environmental limits is one of the central principles of sustainable development, but it also means meeting the diverse needs of all people in existing and future communities, promoting personal well-being, social cohesion and inclusion, and creating equal opportunities. We can already see the damage from development: large scale global crises, depletion of natural resources, climate change, thinning ozone layer.

What is globalisation?

Globalisation is the worldwide process of economic, trade and communications integration arising from the interchange of world views, products, ideas and other aspects of culture. The origin of globalisation is often placed in modern times, however many trace its history long before the European voyages to the New World. The interconnectedness of the world has grown rapidly in the last decades with advances in transportation and telecommunications (the Internet!).

The International Monetary Fund (IMF) identified four basic aspects: (1) trade and transactions), (2) capital and investment movements, (3) migration of people and (4) dissemination of knowledge.