WORKSHEET 20
LESSON NOTES

School: Ba Sangam College   **Year: 11**   **Name:_____**
Subject: Economics

Strand 5	Development Economics
Sub Strand 5.2	Development Issues
Content Learning Outcome EC11.5.2.1	Analyse the different aspects of the development issues faced by the economy.

Poverty

is a situation in which a person does not have enough income to support themselves and their family.

Causes of Poverty
❖   Uneven social and economic development
❖   Unfair distribution of income
❖   Insufficient income
❖   Lack of resources to generate income (No education or skills)
❖   High rate of population growth
❖   Low rate of population growth
❖   Low rate of savings and investment
❖   Social and physical disabilities
❖   High level of unemployment
❖   Desertion of the main income earner.

Measurement of Poverty
Poverty can be measured in in two ways:
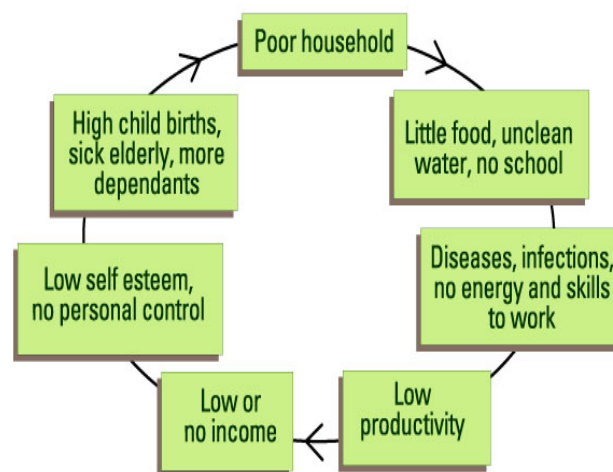**1.Absolute Poverty**
Measures poverty based on the level of income.

2. Relative Poverty
Measurement of poverty based on peoples living conditions.

Effect of Poverty
❖   Increase in crime
❖   Increase in the spread of disease
❖   Lower economic growth and development
❖   Poor standard of living
❖   Emotional disturbances

The Cycle of Poverty

Methods of Reducing Poverty
❖   Increase the availability of jobs
❖   Increase government spending to create jobs
❖   Increase education standards
❖   Impose price control to ensure that every one is able to afford basic necessities
❖   Impose a minimum wage rate

Activity

Study the resource given below and with your own knowledge answer questions (i) and (iv).

(i)   Identify the development issue highlighted in the resource above.

_____**(1 mark)**

(ii)   State **three** causes of the above issue.

_____
_____
_____**(3 marks)**

(iii)   Differentiate between **Absolute Poverty** and **Relative Poverty.**

_____
_____
_____
_____
_____
_____**(2 marks)**

(iv) Suggest **two** policies which have been adopted by the Fijian government to address the development issue above.

_____
_____
_____
_____**(2 marks)**