

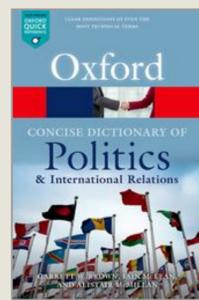


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## The Concise Oxford Dictionary of Politics and International Relations (4 ed.)

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## poverty

Poverty is the state of being poor; that is, lacking the basic needs of life such as food, health, education, and shelter. Most frequently, poverty is discussed in relation to household income, though this is contested. In fact, a number of different approaches to defining and measuring poverty can be identified. One distinction is between 'absolute poverty' and 'relative poverty'. Absolute poverty is defined in terms of material deprivation defined in terms of income or other basic needs of life.

Absolute poverty is usually measured using a 'poverty line', of which there are national and international examples. The most frequently cited is the [World Bank's](#) internationally agreed measure of 'extreme poverty'. The World Bank measure uses Purchasing Power Parity (PPP) US dollars to set the household income level below which people can be defined as living in extreme poverty. PPPs define the value of a dollar in relation to the cost of a set **basket** of **goods** and **services** and avoid problems of comparison between incomes in different currencies caused by exchange rate fluctuation and the differing costs of **goods** and **services** in different countries. Established in 1990 at an income of US\$1 PPP per day, it has been revised on subsequent occasions to reflect changing prices and in 2015 was set at US\$1.90 per day. The World Bank also uses a higher poverty line, sometimes referred to as 'moderate poverty', set in 2015 at US\$3.10 PPP dollars per day. Many countries specify their own national poverty lines, with many developed countries setting their poverty line at a higher rate (to reflect their higher standards of living), and many developing countries defining poverty lines below the World Bank specified level.

Relative poverty defines poverty in relation to some average (such as mean or median income) of the society in question. Thus, relative poverty might be defined as those receiving less than a proportion (such as 50 per cent) of the mean average income. Whereas absolute poverty focuses on a material lack of income, health, or education, relative poverty focuses more on a person's capability to function within a given society and thus expands the idea of poverty to include aspects of social exclusion.

A multidimensional approach to poverty also seeks to move beyond a focus just on income to instead assess the multiple deprivations faced by the poor, including health and education. Various indexes have been created to measure poverty in these terms, including the Human Development Index, the Gender Inequality Index, and the Multidimensional Poverty Index (MPI). The MPI was created by the Oxford Poverty and Human Development Initiative and the UN Development Program. It uses ten indicators across three dimensions of poverty—health, education, and standard of living—with a household defined as poor if it is deprived in up to six indicators.

A final distinction can be drawn between 'residual poverty' and 'relational poverty'. Those who conceptualize poverty as residual see it as affecting those who have not yet benefited from a general increase in standards of living. The task of policy in this view is to remove barriers (such as poor policy and governance, low economic growth, or the existence of conflict) so that all people can be lifted out of poverty. Those who conceptualize poverty as relational see it as a condition that is produced by wider structural conditions. In this view, economic growth itself is sometimes seen as producing poverty for some, while generating wealth for others.

Action to reduce poverty takes place at local, national, and international levels. Perhaps the most prominent example is the target of reducing the number of people living in extreme poverty between 1990 and 2015—a target that was adopted by the UN in 2000 as one of its eight [Millennium Development Goals](#) (MDGs). The World Bank calculated that this target (defined in relation to its own measure of absolute poverty) was met by 2010. In 2015 the UN adopted a new set of [Sustainable Development Goals](#) which aim to eradicate poverty 'in all its forms' by 2030.

WILLIAM BROWN