Definition: 

**Poverty** from *Dictionary of Energy*

Social Issues. the fact of being poor; the absence of wealth. A term with a wide range of interpretations depending on which markers of income and material possessions are employed, and also construed by some observers to include not only economic factors but also cultural, social, and geographic ones.

Summary Article: 

**Poverty**  
From *Encyclopedia of Geography*

Poverty is deprivation of material essentials such as food, shelter, drinking water, and clothing. It is also associated with the lack of education, freedom, and dignity. The uneven distribution of poverty at various scales, from the global to the household, via the national, regional, and local, suggests the importance of geographic factors in explaining its prevalence and understanding its nature.

**Poverty Measures**

There is disagreement on how best to measure poverty. The first distinction exists between absolute and relative measures. Absolute measures identify a minimum level of income or consumption below which individuals or households are considered poor. For example, the World Bank defines extreme poverty as less than $1 per day and moderate poverty as less than $2 per day, with purchasing power parity adjustments allowing comparisons between countries. Because standards of living vary dramatically across places, most countries have established their own absolute poverty lines. In the United States, the poverty threshold was established in 1965 based on the cost of food, taking into account household size and composition but making no adjustment for regional differences in cost of living. The threshold is adjusted annually for inflation. For example, in 2007, the federal poverty threshold for a family of three, with one adult and two children, was $16,705—far above the extreme world poverty measure but well below the national average income.

Income-based measures have led to some criticism that monetary amounts do not directly translate into human well-being. The Nobel laureate Amartya Sen argues that poverty is the deprivation of basic capabilities to lead the kind of life one chooses. Although income is instrumental in reaching this goal, its impact is conditional and varies between different communities, families, and even individuals. To address these shortcomings, in 1997, the United Nations constructed the Human Poverty Index (HPI) based on three components: life expectancy, education, and economic provisioning. Although correlated with per capita income, the HPI does not yield the same ranking of countries as the World Bank’s extreme poverty measures, suggesting that social structures, government policies, and other local attributes can influence the quality of life.

Relative poverty measures conceptualize poverty as socially constructed and dependent on the social context. Within this perspective, the poverty threshold is defined in relation to a national or regional benchmark rather than in absolute terms. One of the most common measures sets the poverty cutoff at a given percentage—usually 50% or 60%—of the national or regional median income. Another approach defines poor people as those in the bottom percentiles of the income distribution. Thus,
relative poverty and inequality are connected to the extent that the former results from a sense of deprivation emanating from a substandard economic position. Relative poverty measures are used more extensively in developed nations, where extreme poverty is less prevalent but people with incomes significantly lower than the median experience economic deprivation, social exclusion, and limited ability to participate in society.

The Distribution of Poverty

Poverty varies both demographically and geographically. In 2004, there were close to 1 billion people in the world living on less than $1 per day, a decrease of 250 million since 1990 and a step toward reaching the United Nations’ Millennium Development Goal of reducing extreme poverty by half by 2015. Poverty, however, is not distributed evenly (Figure 1). Most of its recent decline can be attributed to East Asian countries. Although the majority of poor people remain in South Asia, poverty has increased most rapidly in sub-Saharan Africa, where almost 300 million people, or 41% of the population, live on less than $1 per day. Poverty recently increased in Western Asia and remains fairly constant in Latin America. Many Latin American countries such as Ecuador, Argentina, and Nicaragua fare better on the HPI than on income poverty. This contrasts with African countries such as Morocco, Egypt, Algeria, Senegal, and Burkina Faso, where the HPI rankings are worse than expected, given the poverty rates.

Some of the gains in absolute poverty are overshadowed by increases in inequality and worsening relative poverty in most of the developing world, where the poorest quintile accounts for less than 4% of national consumption. Inequality is particularly acute in Latin America, the Caribbean, and sub-Saharan Africa.

![Figure 1 Percentage of population living on less than $1 per day](https://search.credoreference.com/content/topic/poverty)


Although extreme poverty is virtually nonexistent in the Organization for Economic Cooperation and Development (OECD) countries, national measures indicate the presence of economic deprivation. For example, in the United States in 2006, 38.8 million people, or 13.3% of the population, fell below the federal poverty line.
Of course, important variations exist within regions and nations. Although poverty rates are usually higher in rural areas, a large and growing number of poor people live in urbanized areas, with a significant degree of concentration and clustering in specific neighborhoods and informal settlements. Throughout the world, racial, ethnic, and religious minorities; indigenous populations; and women and children are more likely to suffer from poverty.

**Causes of Poverty**

Multiple factors operating at various interconnected scales cause poverty. Globally, uneven trade and capital flows lead to poverty through exclusion from the benefits of economic growth. Access to water and natural resources, transportation, and climate also shape physical abilities and economic opportunities. International and national policies influence poverty directly, through aid, subsidies, and antipoverty programs, and indirectly, through economic policies that affect the allocation of resources between people, regions, and industries. While some argue that individual characteristics such as education and the work ethic are paramount in explaining poverty, others insist that social and economic structures define capabilities based on gender, class, caste, race, religion, and other forces. Women are often denied access to education, paid employment, health care, financial resources, and political participation because of their gender. While these socially embedded practices deprive women of economic opportunities and basic freedoms, they also contribute to poverty indirectly through fertility and child care.

In the United States, the rise of “working poverty” has been linked to economic restructuring and the decline of the welfare state. The role of these factors varies from place to place and underscores the importance of geography in understanding poverty.

**See also**

Class, Geography and, Dependency Theory, Developing World, Development Theory, Homelessness, Hunger, Inequality and Geography, Justice, Geography of, Malthusianism, Neo-Malthusianism, Peasants and Peasantry, Regional Economic Development, Social Justice, Spatial Inequality, Underdevelopment, Uneven Development, Urban Underclass

**Further Readings**


Joassart-Marcelli, Pascale

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