

# Poverty

[Literature](#), [Russian Literature](#)



**Poverty Meaning of Economic Growth** Economic growth can be defined as the increase in the ability of a country to produce services and goods. Economic growth is measured as the increase in GDP. The economic growth of a nation occurs either as growth of economy with the help of more resources. Some of these resources include the natural capital, physical, and technology.

When a country experiences economic growth periods, it means that the population' living standards have improved. This is because when the economic growth is experienced in the country, the use of resources will be more efficient (Romer, 2). The outcome will be the increase in the per capita income and improving the living standards of the people. This is also attributed to the fact that people will take resources and rearrange them in a manner that is more valuable to them.

#### **Influence of Technology on Economic Growth**

When a country invests in the new technology, the potential output of the services and goods will increase. This is because the technology will make the production process to be more efficient. For instance, the widespread mechanization that happened in 18th and in 19th century enabled the United Kingdom to produce more output from very few resources. This enabled them to become one of the fully industrialized economies. Recently, the Chinese government experienced a rapid rate of growth due to application of the new technology in their process of manufacturing (Romer, 5). Therefore, an economy can never grow if few resources are allocated to the capital good.

#### **Causes of Poverty**

Some of the causes of poverty in third world countries include the third world

debt, lower exportation rate, poor agricultural practices, lack of food, lack of technology, overpopulation and some of the individual behaviors are some of the causes of poverty. The causes of poverty has becomes complex in the global economy. Additionally, the increase in income inequality leads to poverty, this is because the inequality lowers the living standards of people due to income differences (Romer, 6). For instance, the income gap has been on the rising trends in the US since 1970s, the income gap reflects the changes in the international trade, technological change, and a reduction in the unionization of all reason within the rising income gap.

#### Response

I do agree with Christine Svelling, because it is true that the poverty issue has grown to be a pervasive and massive issue. Countries have tried developing the economies with technology and industry with varying success level. Most of the third world countries lack the necessary raw materials and skills from the formal training and education. This has really affected their mods of curbing with poverty.

Just as my discussion asserts, the global poverty has been steered by the overpopulation rate where people lack the knowledge and skills to handle the vice. Additionally, majority of the countries rely on trading from the manufactured goods from the first world countries. This overdependence has landed the third world countries into long-term debts. Consequently, I do agree with Emund on point that the lack of education have contributed to higher rates of poverty in this countries.

#### Reference

Romer, Paul. " Economic Growth." Fortune of Encyclopedia 4. 3 (2006): 1-6.  
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