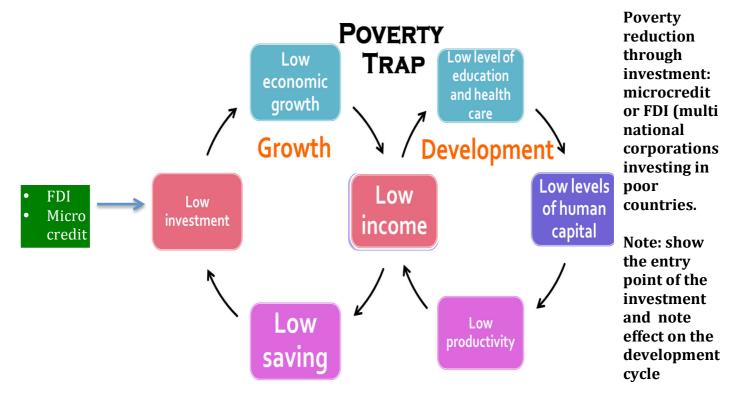
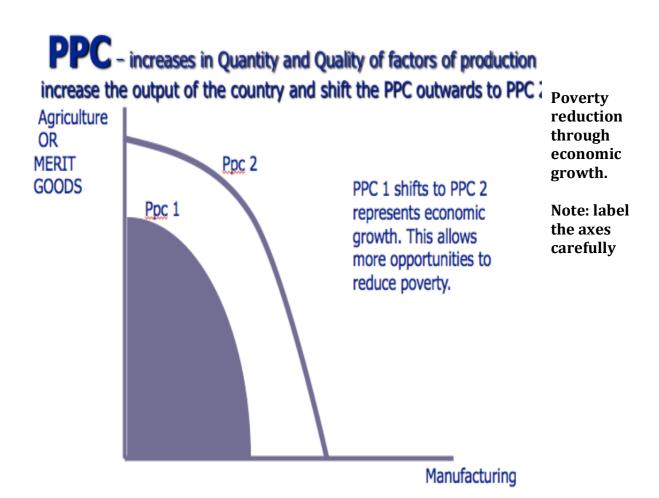
## Development: **5** Key diagrams

## 1.Poverty Cylcle/Trap

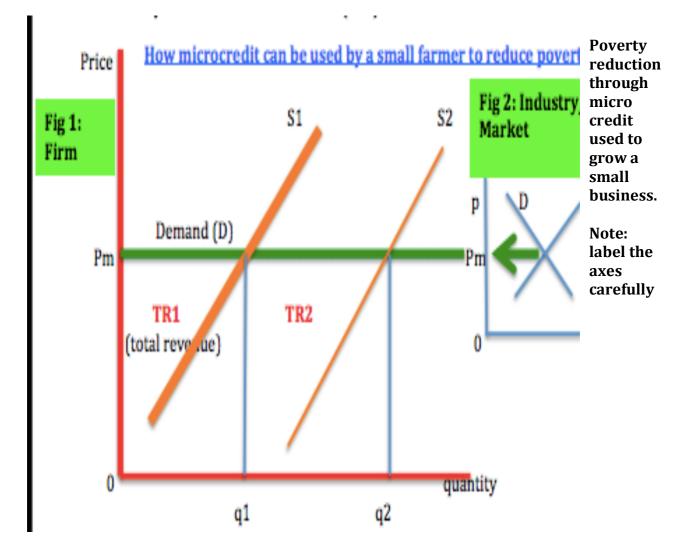


## **2.PPC Production Possibilities Curve**



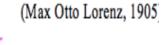
Webnote 430 Big Ideas for 4.3





## 4. Lorenz curve showing unequal distribution of income

Poverty reduction not evident here but the problem of poor distribution is clear and poverty is clearly indicated by the red dot: 25% vs 10%.



B

25

С

100

% populati

B: Lorenz Curve

100

%Y

25

10

Better distribution of income reduces poverty.

Red dot shows the problem where 25% receive 10% of the income

Note: gini coefficient is a numerical representation of the Lorenz currve. Formula calculates

Formula = A/A+B and this calculates the area of A as a % of the area of aoc 5. Macroeconomic Circular flow of income: How does microcredit and FDI affect the economy?

Macroeconomy circular flow of income: what grows and shrinks an economy?

Injections: Grow economy Leakages: Shrink the economy

NOTE: microcredit spending and investmet by multi national corporations make the economy bigger Poverty reduction through economic growth.

Note: label the axes carefully

