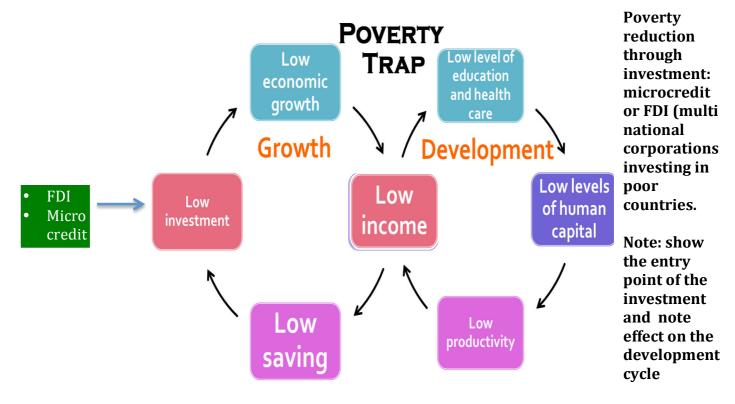
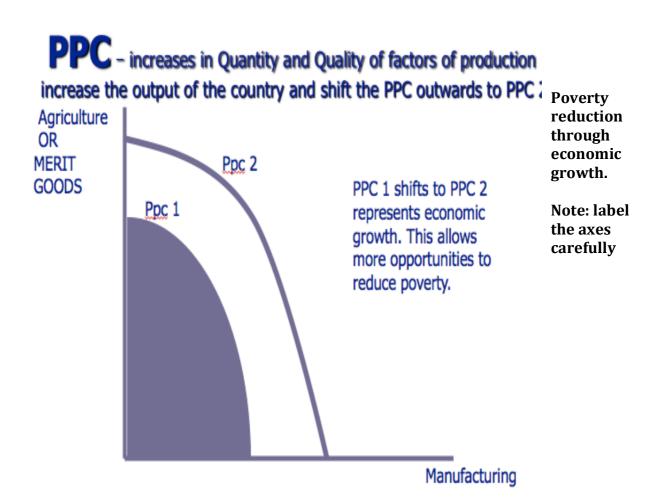
Development: **5** Key diagrams

1.Poverty Cylcle/Trap

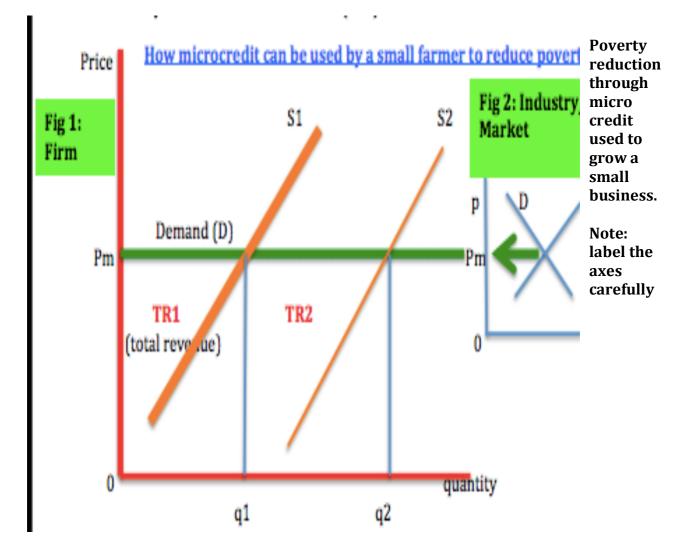


2.PPC Production Possibilities Curve



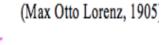
Webnote 430 Big Ideas for 4.3





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

