

Poverty Anywhere is a threat to Prosperity Everywhere

Poor? But how can you say that?

Poverty in simple language is coined as facing the lack of necessities such as proper food, shelter, clothes among others. Poverty also accounts earning little wages below a certain or fixed amount of money which depends on the place where a person lives in. More than 50 percent of the world's population is poor or belongs to the lower middle-class group. In India, scores and scores of people belong the BPL group, i.e., Below Poverty Line.

We often tend to classify people as wealthy or impoverished. But what do we mean by saying that he/she is poor? How do we come to know that a certain place (not even the people) is poor or rich?

If I ask you a question, which is the richest country in the world per GDP, you might answer as the United States or China. But no, how wealthy the country really is not depicted by its economy, but by its wealth per capita. Even though, the United States and China are the world's first and second largest economies respectively, they are not the richest in terms of how much a common man earns. In such countries, as they say, the poor are getting poorer and the rich, richer.

If we look at wealthy countries like Luxembourg or Qatar, the average man earns around a \$120,000. These countries are almost poverty free. In the term of economics, they are wealthy because they have a high Gross Domestic Product (GDP) per capita. Here, a balance is maintained between the people. There is hardly any room for someone to become poor as wealth is divided equivalently between citizens. So here can we say that indirectly, poverty largely affects the growth and development of the country, it's prosperity?

What causes poverty to enormously affect Opulence?

If you notice one thing, the poorest countries in the world like the one's in Africa are poor because the people there earn very little or even nothing. They are disconnected from the outside world. Hardly, people in remote areas like the tribes know anything apart from their surroundings and the habitat in which they live. These people are often accounted as the poorest in the world. And because of that, the prosperity of the region is impacted.

But these are tribes who are completely untouched from modern civilization. What about the people in growing economies, or even the first world countries? They live in the place where mostly the human population exists unlike tribes who live in

conserved and protected places. Then how come they are poor. As mentioned above, it largely affects in the place they live and the GDP per capita earning. Also, according to me, here are a few reasons why I think poverty is increasing and in return is harming burgeons.

- 1) Lack of Financial Education: A normal education accounts in learning languages or Social Studies, Arts etc. but have you ever wondered why schools aren't teaching us on how to make & manage money. They think that school age isn't ripe for such complex subjects. What they expect the students to do is to get a degree, find a suitable job and live like that forever. This mentality can lead to difficult situations in the future.
- 2) Market Turmoil: In continuation of the previous reason, markets can be proved unstable and not steady. History proves that market crashes can wipe out the people's hard-earned money. Like the 2008 dotcom crash in which people (even millionaires) went broke because no one had the financial knowledge to handle such life changing situations.

The markets recently aren't running the way they should. People are worried on how they would pay their bills. Active cashflow has stopped. This is one of the main reasons why the lower middle class is disappearing.

- 3) Inflation: Inflation in all the countries is at record high. The Russia-Ukraine War has spooked the markets. Energy costs, food costs, and other expenditures have broken the ceiling. It is proving difficult for the people to afford the primary necessities.
- 4) Taxes: People are taxed whenever a person receives his/her paycheque. The government would always want its share of money for the services they provide. But for the people, taxes are nothing short of a curse.
- 5) Population: As I wrote earlier, the richest countries in the world are Luxembourg, Qatar etc. But if you observe, they are small countries with little population. It becomes easier to divide wealth among the citizens. But if you take India, the wealth distribution is unequal as the population is gigantic. It becomes gruelling to make everyone well-off.

There are in fact many more reasons in addition to these. But these are the main and primary reasons which can make people poor and hamper prosperity.

In order to fastrack growth, these hindrances should be avoided and omitted to the farthest extent possible. And for the above reasons, the topic is thus proven, **Poverty anywhere is a threat to Prosperity Everywhere.**

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