Poverty is one of the biggest problems in this world. Many people don’t have food, clothes, shelter, and safe drinking water. Poverty is the state for the majority of the world’s people and nations. Many different factors have been cited to explain why poverty occurs: unemployment; the institution of property rights; the very high subsidies to and protective tariffs for agriculture in the developed world. High levels of corruption undermine efforts to make a sustainable impact on poverty. Such causes of poverty and inequality are no doubt real. But deeper and more global causes of poverty are often less discussed.
The effects of poverty may also be causes, as listed above, thus creating a "poverty cycle" operating across multiple levels, individual, local, national and global. Those living in poverty and lacking access to essential health services, suffering hunger or even starvation experience mental and physical health problems which make it harder for them to improve their situation. Those living in poverty suffer lower life expectancy. Every year nearly 11 million children living in poverty die before their fifth birthday. Those living in poverty often suffer from hunger. 800 million people go to bed hungry every night. Poverty increases the risk of homelessness. There are over 100 million street children worldwide. Increased risk of drug abuse may also be associated with poverty.

Poverty often drastically affects children’s succes in school. Unfortunately, there is a high risk of educational underachievement for children who are from low-income housing circumstances. This often is a process that begins in primary school for some less fortunate children. These children are at a higher risk than other children for retention in their grade, special placements during the school’s hours and even not completing their high school education.

Poverty reduction is any process which seeks to reduce the level of poverty in a community, or amongst a group of people or countries. One theory for reducing poverty suggests that raising tariffs and import substitution leads to greater wealth by protecting the country from the deeper inequalities of what is called free trade.