The World Bank estimates the extent and evolution of world poverty with the help of PovcalNet, a software interface that is available online at [http://iresearch.worldbank.org/PovcalNet/index.htm](http://iresearch.worldbank.org/PovcalNet/index.htm). This exercise represents an exploration of world poverty using PovcalNet. To answer this exercise you will need to use a browser such as Chrome or Internet Explorer.

Please either post the answers to the course website or send them to me at jhaughton@suffolk.edu.

1. Assume a poverty line of $38 per person per month (i.e. US$1.25 per person per day). Create a table that shows the headcount poverty rate for the six main regions (East Asia/Pacific, Europe & Central Asia, Latin America & Caribbean, Middle East & North Africa, South Asia, and Sub-Saharan Africa) for 1981, 1993, 2002, and 2010.

2. Repeat question 1, but for a poverty line of two dollars a day.

3. Based on 1. and 2:
   a. Which are the world’s poorest regions?
   b. And which regions have seen the biggest reduction in poverty over the past two decades?

4. Pick a country. Graph the evolution of its headcount poverty rate over time (i.e. for every year available). On the same graph, show the headcount poverty rate for the region in which the country is located. Relative to the region, has the country you chose done relatively well, or poorly, in reducing poverty over time?

5. Pick any two countries. Compute the headcount poverty rate for each country at a dozen different poverty lines ($25, $30, $35, …, $80) and graph these curves. The horizontal axis will show the poverty line and the vertical axis will show the headcount poverty rate. These are poverty incidence curves. Which country has the higher poverty rate? Explain.