HE WORLD'S poor are concentrated in 65 low-income countries, mainly in sub-Saharan Africa and South Asia, with a population of 3.2 billion and a per capita income of $390 a year. Most live in rural areas; they lack adequate access to safe water and other basic services; nearly 40 percent of their children are malnourished; and over 40 percent of primary-school-age children are not enrolled in school. These statistics are disheartening, yet, over the past 20 years, significant progress has been made in improving social conditions in these countries, especially for women and children, who make up the majority of the world's disadvantaged.

- Fertility rates are declining in low-income countries—from 5.6 births per woman in the early 1970s to 3.3 in 1994 (Chart 1). This decline has not been evenly spread, however—over this period, fertility declined by nearly 40 percent in South Asia, but only by slightly more than 10 percent in sub-Saharan Africa.
- Declining fertility has been accompanied by significant increases in access to education, especially for girls (Chart 2). In South Asia, primary school enrollment rates increased dramatically, from 50 percent of all school-age girls in 1970 to 87 percent in 1993. In sub-Saharan Africa, enrollment rates increased by 50 percent. In low-income countries as a whole, enrollment of girls increased by about 20 percent, while total primary enrollment increased by over 40 percent.
- Preventive health care has improved. For example, childhood immunization against measles in low-income countries has risen from 50 percent of children in 1985 to 86 percent in 1992, with South Asia showing the most dramatic increase. Access to health care in South Asia rose from 54 percent of the population in 1980 to 96 percent by the end of the decade, and access to safe water increased from 50 percent of the population to 70 percent over the same period.
- As a result of these improvements, children born in low-income countries in 1994 can expect to live, on average, 63 years, compared with 54 years for those born 20 years ago (Chart 3).

Improving living standards and reducing poverty nevertheless continue to pose a challenge to governments and the development community. Around 1.3 billion people (1993 estimate) in the developing world live on less than one dollar a day. Because this figure conceals large regional differences, poverty will remain a persistent problem requiring concerted efforts.

Thirty-nine percent of the world's poor live in South Asia, while only 17 percent live in sub-Saharan Africa. But nearly 40 percent of sub-Saharan Africa's population is below the poverty line, and the region has seen a gradual erosion of living standards over the past two decades. Real per capita income declined, reflecting weak economic growth and a rapidly rising population (Chart 4). A few countries have experienced increases in infant mortality, declines in life expectancy, and slight increases in child malnutrition. Others have experienced some deterioration in the provision of social services: fewer people today than in the early 1970s have access to safe drinking water, and primary school enrollment rates have fallen or leveled off.

By contrast, East Asia—with the exception of China—has reduced the share of its population living in poverty, from about 23 percent in 1987 to 13.7 percent in 1993. Annual GNP per capita growth rates accelerated from 4.3 percent in 1970–75 to 7.2 percent in 1989–94; over the same period, population growth rates declined from 2.3 percent to 1.4 percent. In countries such as Indonesia, the proportion of people living below the official poverty line declined from 45 percent in the early 1980s to 17 percent a decade later. Per capita income rose from $230 in 1975 to $880 in 1994; infant mortality was more than halved; and access to basic services, such as safe drinking water and education, increased. Much of the progress in this region reflects a policy of fostering broad-based economic growth, coupled with the expansion of basic services and major investments in human capital.

Sulekha Patel, a national of India, is a demographer in the International Economics Department of the World Bank.
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