

The boom and the busted

BCI values for 2011 ranged from 47.9 to 99.5, with Japan in the top position and Chad at the bottom. The global BCI has progressed between 1990 and 2011, although in general there has been a slower rate of progress between 2000 and 2011 than between 1990 and 2000. In the first decade of the XXI century, in fact, the social indicators moved up just 3 points, while world CO₂ emissions moved up to 4.6 tons per capita. World trade and per capita income grew faster in the first decade of the XXI century than the decade before, but progress against poverty slowed down. In spite of the declared commitment with poverty eradication and the Millennium Development Goals, the year 2000 was a turning point for the worse: social progress slowed down while environmental destruction accelerated.

The Basic Capabilities Index (BCI) was designed by social watch as an alternative way to monitor the situation of poverty in the world. Most of the available poverty-measurement is based on the premise that poverty is a monetary phenomenon and they measure, for example, how many persons live with an income of less than one dollar a day. The BCI is an alternative non-monetary measure of poverty and well-being based on key human capabilities that are indispensable for survival and human dignity. The indicators that make up the BCI are among the most basic of those used to measure the millennium development goals (MDGs).

The BCI assigns equal weight to three basic capabilities: (1) the capability to be well-nourished; (2) the capability for healthy and safe reproduction; (3) and the capability to be educated and be knowledgeable. The index is computed as the average of three indicators: 1) mortality among children under five, 2) reproductive or maternal-child health (measured by births attended by skilled health personnel), and 3) education (measured with a combination of enrolment in primary education, the proportion of children reaching fifth grade and adult literacy rate).

All the indicators are expressed in percentages and they range from 0 to 100. Under-five mortality, which is usually expressed in number of deaths per thousand children born alive, is expressed as 100 minus that value. So that, for example, a value of 20 deaths per thousand becomes 2% and, when deducted from 100, yields a basic indicator value of 98. Thus, the theoretical maximum value in infant mortality is 100, which would mean that all children born alive survive until they are five years old. Reproductive health takes the maximum value 100 when all women giving birth are attended by skilled health personnel. Similarly, the education indicator registers 100 when all school age children are enrolled in education and they all attain five years of schooling. These three indicators are then averaged, so the total value of the index will vary between 0% and 100%.

BCI levels

BCI values for 2011 were computed for 167 countries where data are available out of the 193 member states of the United Nations. The BCI values for 2011 ranged from 47.9 to 99.5 with Japan, along with Norway, the Netherlands, Switzerland and Iceland occupying the top five positions. The top performing countries having the highest BCI are mostly from the developed world of Europe, North America and East

Asia/Pacific. In contrast, the countries with the lowest BCI values are mostly from Sub-Saharan Africa and South Asia, with Chad at the bottom, along with Sierra Leone, Niger, Somalia and Guinea Bissau.

Countries with basic BCI level have reached a reasonable level of human development and have basically met the MDG targets way ahead of the 2015 deadline. Countries with medium BCI level have achieved a certain level of momentum to address key human development concerns and have a fair chance of meeting the MDG targets by 2015. Countries with low BCI level are still struggling to provide basic serv-

ices for their citizens and will more likely miss the MDG targets by 2015. Countries with very low and critical BCI levels will certainly miss the MDG targets. Most of these countries, particularly those with critical BCI level, are experiencing severe economic difficulties, social unrest or wars. Some have just emerged from armed conflict and are still transitioning to normalize Government operations and public services.

The number of countries with medium BCI levels increased from 44 in 1990 to 52 in 2011. Countries that have scaled up their BCI levels from low/very low to medium include the following: Algeria, Iran,

THE WORLD TURNS RIGHT INSTEAD OF MOVING UP

With carbon dioxide emissions of three tons of per capita a year, Costa Rica and Uruguay have managed to lower their infant mortality to the same level of a country that emits twenty tons a year: the United States. At the same time, with the same level of emissions than Norway, South Africa has a set of social indicators similar to that of Indonesia, which consumes five times less fossil fuels. The notion that eradicating poverty and reaching basic dignity for all requires a model of development that destroys the environment is wrong. The leaders of the world made that point in Rio twenty years ago at the "Earth Summit" and stated that "the major cause of the continued deterioration of the global environment is the unsustainable pattern of consumption and production, particularly in industrialized countries (...) aggravating poverty and imbalances".

Between 1990 and 2000 the world's index of basic capabilities improved five points (from 79 to 84) while the world per capita emissions of CO₂ actually **decreased** from 4.3 tons to 4.1. In the first decade of the XXI century, world CO₂ emissions moved up to 4.6 tons per capita but the social indicators only moved up 3 points (see chart 3). In spite of the declared commitment with poverty eradication and the Millennium Development Goals, the year 2000 was a turning point for the worse: social progress slowed down while environmental destruction accelerated.

A LOST DECADE IN THE FIGHT AGAINST POVERTY

World trade and per capita income grew faster in the first decade of the XXI century than the decade before, but progress against poverty slowed down. A gap widened, due to the unequal distribution of the benefits of prosperity. Now the boom years seem to give way to a bust. The vulnerable did not benefit from the accelerated growth in the economy, but they will undoubtedly suffer the most with a new contraction. The 2011 Basic Capabilities Index show that economic performance and well being of the people do not go hand in hand (see chart 4). Progress on education, health and nutrition was already too slow when gross income was growing fast. While using the latest available figures, the Index does not capture yet the whole impact of the global financial and economic crisis that started in 2008, because social indicators are gathered and published much slower than the economic numbers. Yet, social watch is receiving evidence from its members on how the crisis is burdening the most those already vulnerable and that situation can only become worse if the big industrialized countries enter into prolonged stagnation or recession.

CHART 1

BCI levels (1990, 2000 & 2011)

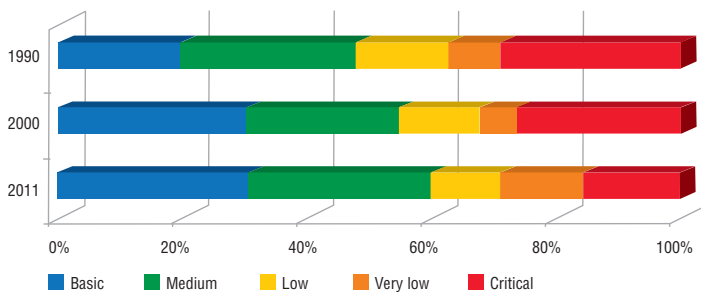


CHART 4

Trade, income and basic capabilities

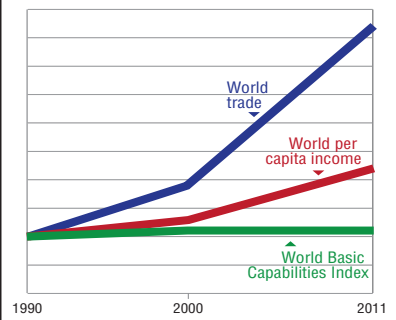
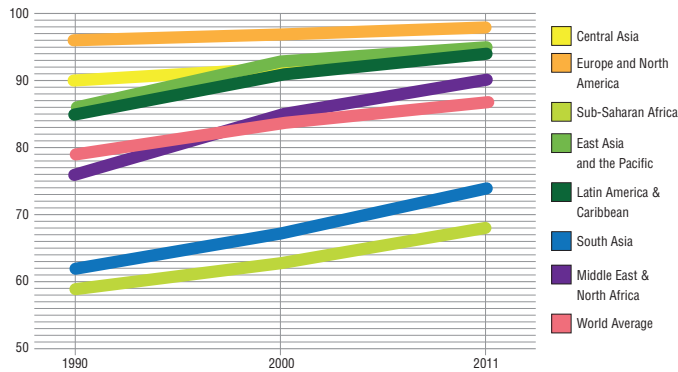


CHART 2

BCI level by region (1990, 2000 & 2011)



Kuwait, Saudi Arabia, Syria and Tunisia (Middle East and North Africa); Azerbaijan, Tajikistan, Maldives and Vietnam (Central, South and East Asia); and Belize, Brazil, Colombia, El Salvador, Mexico, Paraguay, Peru and Suriname (Latin America). El Salvador registered the highest increment in BCI in this group accounting for a 17 point increase for the period 1990 to 2011. In contrast, countries such as Ukraine, Bosnia and Herzegovina, and Thailand have moved down from basic BCI to medium level. (See chart 1)

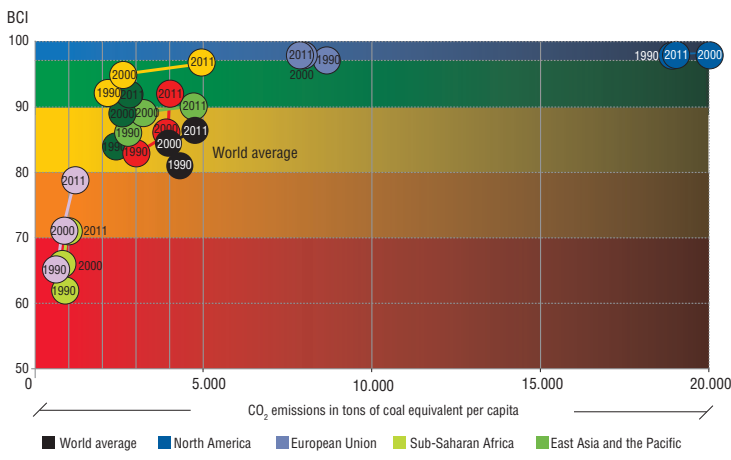
Nineteen countries registered low BCI levels in 2011. Countries such as Bolivia, Honduras and Nicaragua in Latin America, and Cape Verde, Zimbabwe, and Swaziland in the Sub-Saharan Africa region, improved their standing from very low/critical BCI level to low BCI. Within this group of countries that registered low BCI levels, Bhutan in South Asia recorded the highest increase of 28 points, climbing up from critical to low BCI level.

The number of countries in the critical BCI list has declined from 42 in 1990 to only 28 by 2011. Countries such as Benin, Cameroon, Eritrea, Ghana, Kenya, Malawi, Rwanda, Tanzania and Togo in Sub-Saharan Africa; Guatemala in Latin America; Djibouti, Egypt, Morocco and Yemen in the Middle East and North Africa; Laos and Myanmar in East Asia; and Bhutan and India in South Asia, have moved up from their previous critical BCI levels. Nonetheless, the number of countries in the critical list remains substantial especially if one considers that many poor countries with no reliable data collection system, indicating poor functioning institutions, would more likely fall in the critical BCI levels.

The global BCI has progressed between 1990 and 2011, although in general there has been a slower rate of progress between 2000 and 2011 than between 1990 and 2000. In 1990, the average BCI value (population weighted) for countries with available data was 79.4. In 2000, the BCI increased by 4.9 points to 84.3. BCI further increased to 87.1 by 2011, but at a lower increment of 2.8 points – lower than the rate of increase registered in the previous decade. (See chart 2) ■

CHART 3

Basic Capabilities Index and CO₂ emissions by regions



TECHNICAL NOTES¹

The following are the indicators used for computing the Basic Capabilities Index:

- **Under-five mortality rate.** Under-5 mortality rate is defined as the probability of a child born in a specific year or period to die before reaching the age of five, if subject to age-specific mortality rates of that period, that is, a probability of death derived from a life table and expressed as a rate per 1,000 live births (Health statistics and health information systems, World Health Organization, <www.who.int/healthinfo/statistics/indunder5mortality/en>). We express this indicator by subtracting $x/1000$ from 100, where x is the number of deaths under-5 per 1000 live births. Data for this indicator were obtained from UNICEF State of the World's Children 2011.
- **Births attended by skilled health personnel.** This is defined as the percentage of live births attended by skilled health personnel in a given period of time. Data for this indicator were mainly obtained from Global Health Observatory Data Repository (World Health Organization), and from the UN official website for MDG indicators and UNdata 2003-2008 (<data.un.org/Data.aspx?q=births+attended+by+skilled+personnel&d=SOWC&f=inID%3a21>) was used for countries with no data available from the WHO. Data were imputed for first world countries (such as Germany, Norway, US, etc.) which have no available data from the sources mentioned.
- **Education.** The education indicator consists of three sub-indicators:
 - **Adult literacy rate.** The adult literacy rate is the percentage of population aged 15 and above who can both write

and read a short simple statement on their everyday life. It is calculated by dividing the number of literates (aged 15+) by the corresponding population age group and multiplying the result by 100 (*UNESCO Institute for Statistics Glossary*, <glossary.uis.unesco.org/glossary/en/home>).

- **Primary Net Enrollment Rate (NER).** This is defined as the enrollment of the official age group expressed as a percentage of the corresponding population, which is calculated by dividing the number of pupils (or students) enrolled who are of the official age group for primary level by the population for the same age group and multiplying the result by 100 (*UNESCO Institute for Statistics Glossary*, <glossary.uis.unesco.org/glossary/en/home>).
- **Survival rate to fifth grade.** This is the percentage of a cohort of pupils enrolled in the first grade of a given level or cycle of education in a given school year who are expected to reach fifth grade (*UNESCO Institute for Statistics Glossary*, <glossary.uis.unesco.org/glossary/en/home>).

The main source for these sub-indicators is the UNESCO Institute for Statistics (UIS) data centre, <stats.uis.unesco.org/unesco/TableViewer/document.aspx?ReportId=136&IF_Language=eng&BR_Topic=0>. The earliest data available from 1990 to 1995 were used for the year 1990, data available from 1998 to 2002 were used for the year 2000, and the latest available data from 2005 to 2011 were used for the year 2011. Data for the year 1990 were mainly gathered from Global Monitoring Report

2010 and World Bank database, since data from UIS were only available from 1999, except for the adult literacy rate indicator. Data not available from UIS and GMR were obtained from the Economic Commission for Latin America and the Caribbean (ECLAC), 2010 Statistical Yearbook for Latin America and the Caribbean in <www.eclac.org/cgi-bin/getProd.asp?xml=/publicaciones/xml/7/42167/P42167.xml&xsl=/deype/tpl-i/p9f.xsl&base=/tpl-i/top-bottom.xsl>, accessed on May 2011 and from the United Nations Statistics Division, <unstats.un.org/unsd/demographic/products/indwm/tab5e.htm> accessed on May 2011. Since there are many missing data for the *Survival rate to fifth grade* indicator, survival rate to the last grade of primary school (also obtained for UIS) was considered for countries with no data.

Data for each sub-indicator were rescaled from 0 to 100 using a formula which was adopted from the Human Development Report (HDR). After rescaling all the values of each sub-indicator, the education indicator is computed by averaging three rescaled sub-indicators, if three have values, or taking the average of two, if one has missing value. No value is given if more than one sub-indicator is absent.

Rescaling was also done for the two other indicators - Under-five mortality rate and Maternal health indicators. The raw BCI value is computed by taking the average of the rescaled values of the three indicators, if all three have values, and the average of two indicators, if only two have values. No value is given if more than one indicator is missing.

The index values expressed from 0 to 100 are then "rescaled back" to put the values back into the original range of BCI values so that comparison with previous BCI calculation becomes possible.

1 The BCI/GEI Technical Group is composed of the research team from Action for Economic Reforms (AER) and Social Watch Philippines (SWP) - Rene Raya, Maria Luz Anigan, Karla Machel Raya and Alvelyn Joy Berdan.

BASIC CAPABILITIES INDEX 2011

	Surviving under-5	Birth attended	Children reaching 5th grade	BCI		Surviving under-5	Birth attended	Children reaching 5th grade	BCI
Afghanistan	80				Egypt, Arab Rep.	98	79	80	90
Albania	99	99	88	96	El Salvador	98	84	79	91
Algeria	97	95	82	92	Equatorial Guinea	86		53	66
Angola	84	49	61	67	Eritrea	95		38	72
Argentina	99	99	96	98	Estonia	99	99+	96	99
Armenia	98	98	91	96	Ethiopia	90	6	33	58
Australia	99+	99		99	Finland	99+	99+	97	99
Austria	99+	99		99	France	99+	99		99
Azerbaijan	97	89	92	93	Gabon	93	86	76	86
Bahamas, The	99	99	90	97	Gambia, The	90	57	44	70
Bahrain	99	97	94	97	Georgia	97	98	97	97
Bangladesh	95	18	55	70	Germany	99+	99+	95	99
Belarus	99	99+	97	98	Ghana	93	59	61	77
Belgium	99+	99+	92	98	Greece	99+	99	97	99
Belize	98	95	94	96	Guatemala	96	51	70	80
Benin	88	78	56	76	Guinea	86	46	42	64
Bhutan	92	72	70	81	GuineaBissau	81	39	32	56
Bolivia	95	71	84	86	Guyana	97	83	90	92
Bosnia and Herzegovina	99	99+	89	96	Haiti	91	26		67
Botswana	94	95	80	90	Honduras	97	67	79	86
Brazil	98	98	89	95	Hungary	99	99+	94	98
Brunei Darussalam	99	99+	93	98	Iceland	99+	99+	98	99
Bulgaria	99	99+	94	98	India	93	47	62	76
Burkina Faso	83	54	36	62	Indonesia	96	73	87	88
Burundi	83	34	69	66	Iran, Islamic Rep.	97	97	89	94
Cambodia	91	44	64	73	Iraq	96	80	76	87
Cameroon	85	59	73	73	Ireland	99+	99+	97	99
Canada	99	99+		99	Israel	99+	99	97	99
Cape Verde	97	78	79	89	Italy	99+	99	98	99
Central African Republic	83	53	38	62	Jamaica	97	98	76	92
Chad	79	21	17	48	Japan	99+	99+		99+
Chile	99	99+	95	98	Jordan	98	99	91	96
China	98	96	97	97	Kazakhstan	97	99+	95	96
Colombia	98	96	84	94	Kenya	92	44	78	77
Comoros	90	62	73	78	Kiribati	95	65		84
Congo, Dem. Rep.	80	74	40	64	Korea, Dem. Rep.	97	97		95
Congo, Rep.	87	86	51	75	Korea, Rep.	99+	99+	98	99
Costa Rica	99	99	92	97	Kuwait	99	99+	89	97
Cote d'Ivoire	88	57	40	68	Kyrgyz Republic	96	98	90	94
Croatia	99+	99+	94	98	Lao PDR	94	20	61	71
Cuba	99	99+	97	99	Latvia	99	99+	97	99
Cyprus	99+	99+	96	99	Lebanon	99	98	88	96
Czech Republic	99+	99+	91	98	Lesotho	92	62	62	77
Denmark	99+	99+	96	99	Liberia	89	46	47	68
Djibouti	91	93	30	75	Libya	98	99+		97
Dominica	99	99+	87	96	Lithuania	99	99+	95	98
Dominican Republic	97	98	71	90	Luxembourg	99+	99+	94	98
Ecuador	98	80	82	90	Madagascar	94	44	59	75

	Surviving under-5	Birth attended	Children reaching 5th grade	BCI		Surviving under-5	Birth attended	Children reaching 5th grade	BCI
Malawi	89	54	57	72	Senegal	91	52	44	70
Malaysia	99	99+	92	98	Serbia	99	99	95	98
Maldives	99	95	94	97	Sierra Leone	81	42		58
Mali	81	49	46	61	Singapore	99+	99+	96	99
Malta	99	99+	88	97	Slovak Republic	99	98		98
Mauritania	88	61	42	69	Slovenia	99+	99+	98	99
Mauritius	98	99+	90	96	Somalia	82	33		57
Mexico	98	94	93	96	South Africa	94	91	81	89
Moldova	98	99+	90	96	Spain	99+	99	99	99
Mongolia	97	99+	91	96	Sri Lanka	99	99	87	96
Montenegro	99	99		98	Sudan	89	49	49	69
Morocco	96	63	67	82	Suriname	97	90	80	91
Mozambique	86	55	51	68	Swaziland	93	74	75	83
Myanmar	93	37	70	75	Sweden	99+	99+	96	99
Namibia	95	81	85	89	Switzerland	99+	99+		99
Nepal	95	19	46	68	Syrian Arab Republic	98	95	87	95
Netherlands	99+	99+	99	99	Tajikistan	94	88	98	92
New Zealand	99	99+		99	Tanzania	89	51	76	76
Nicaragua	97	74	60	84	Thailand	99	99	88	96
Niger	84	33	28	57	Togo	90	62	68	77
Nigeria	86	39	45	64	Trinidad and Tobago	97	98	94	95
Norway	99+	99+	98	99	Tunisia	98	95	87	94
Oman	99	99+	83	95	Turkey	98	91	89	94
Pakistan	91	39	41	68	Turkmenistan	96	99+		94
Panama	98	89	90	94	Uganda	87	42	62	69
Papua New Guinea	93	53		77	Ukraine	99	99	93	97
Paraguay	98	97	83	94	United Arab Emirates	99	99+	89	97
Peru	98	83	86	92	United Kingdom	99	99+		99
Philippines	97	62	81	86	United States	99	99		99
Poland	99	99	96	98	Uruguay	99	99	96	98
Portugal	99+	99+	95	99	Uzbekistan	96	99+	93	95
Qatar	99	99+	91	97	Venezuela, RB	98	95	91	95
Romania	99	99	91	97	Vietnam	98	88	89	93
Russian Federation	99	99+	96	98	Yemen, Rep.	93	36	53	72
Rwanda	89	52	57	71	Zambia	86	46	67	70
Saudi Arabia	98	99+	85	95	Zimbabwe	91	60	87	82

99+ refers to a value above 99.5. It is not rounded up to "100" as that would imply a perfect accomplishment which is impossible to achieve in reality.