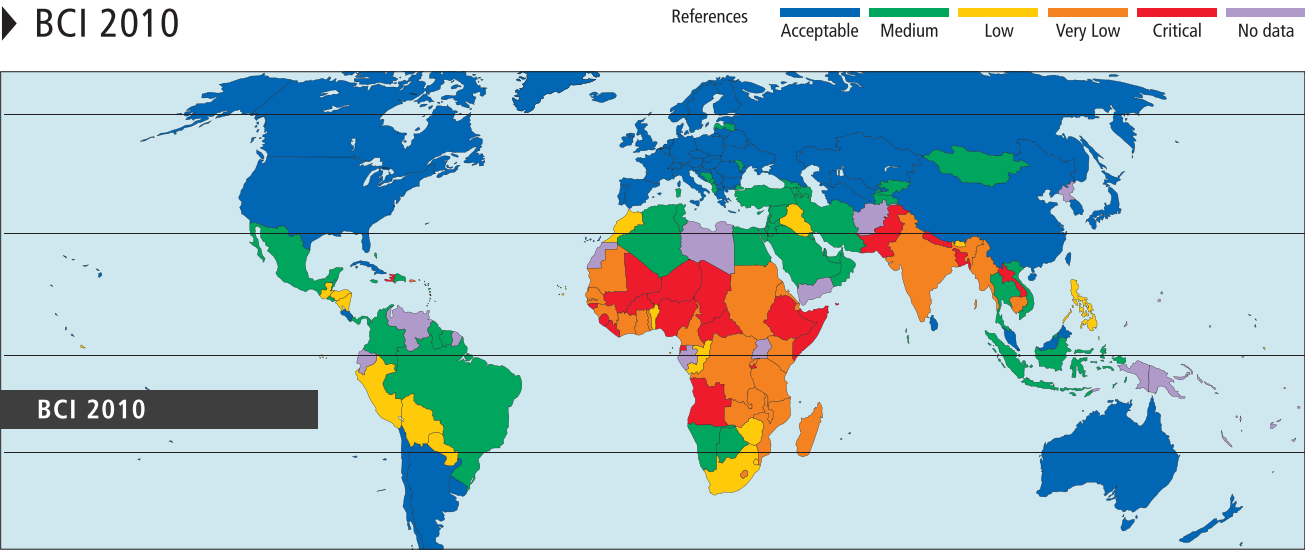


► BCI 2010



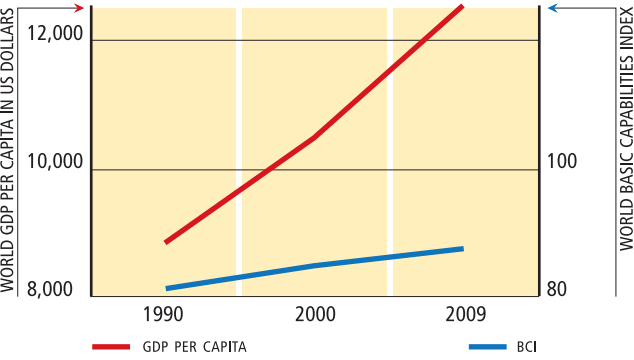
ECONOMIC GROWTH ALONE DOES NOT REDUCE POVERTY

Over the last twenty years the group of countries with medium and acceptable values on the one hand, and the group of countries with low, very low and critical values on the other, inverted their positions in the sense that the former increased from 40% to 61% of all countries for which the BCI can be calculated, and the latter fell from 60% to 39% of all countries considered. In both groups the big fall in the number of countries in the worst situation and the increase in the number of countries with relatively better levels came about before 2000, and in the new millennium change has been slower.

In the light of the recent evolution in BCI values it is clear that extreme poverty, measured in terms of access to a pool of services that are basic to human survival, will continue to decrease over time, but the speed of poverty reduction is not automatically determined by the economy. Per capita income growth accelerated from 17% in 1990-2000 to 19% between 2000 and 2009, but BCI growth slowed from 4% in the 1990s to 3% in the first decade of this century. This indicates that the Millennium Declaration and the international community's efforts to reach the goals it set have not translated into more rapid progress in social indicators, even when resources were available. On the contrary, the data confirm the findings of recent research, which show that since 2000 progress in these indicators has become slower.

References: Acceptable Medium Low Very Low Critical No data

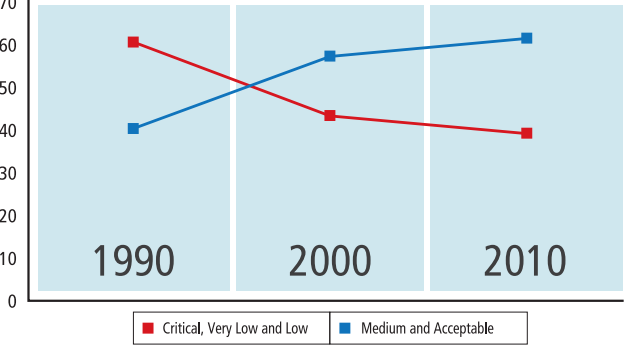
BCI and per capita GDP in the world (1990-2009)



Number of countries in each BCI level

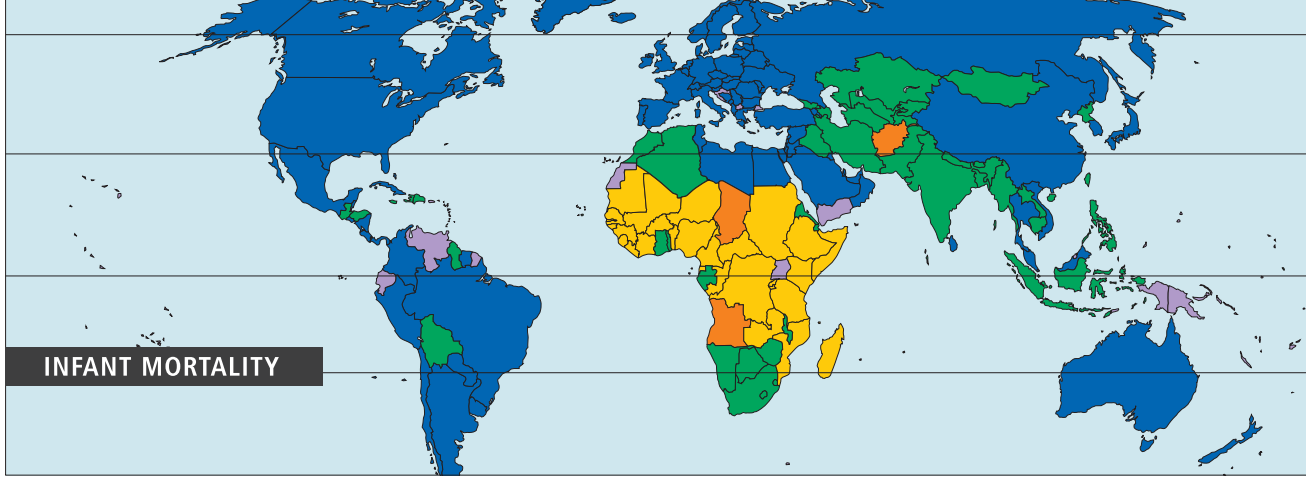
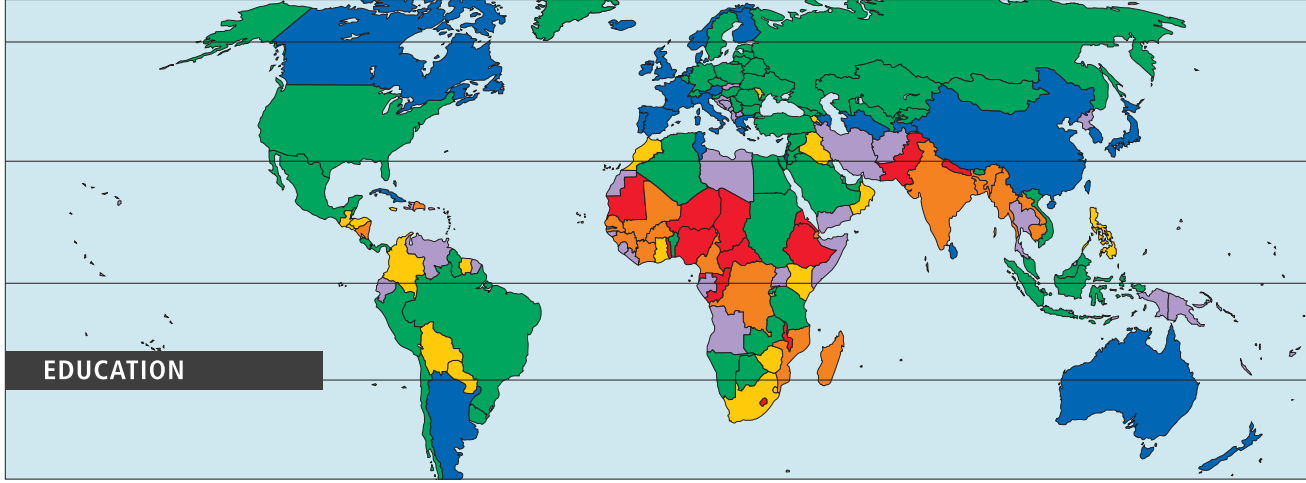
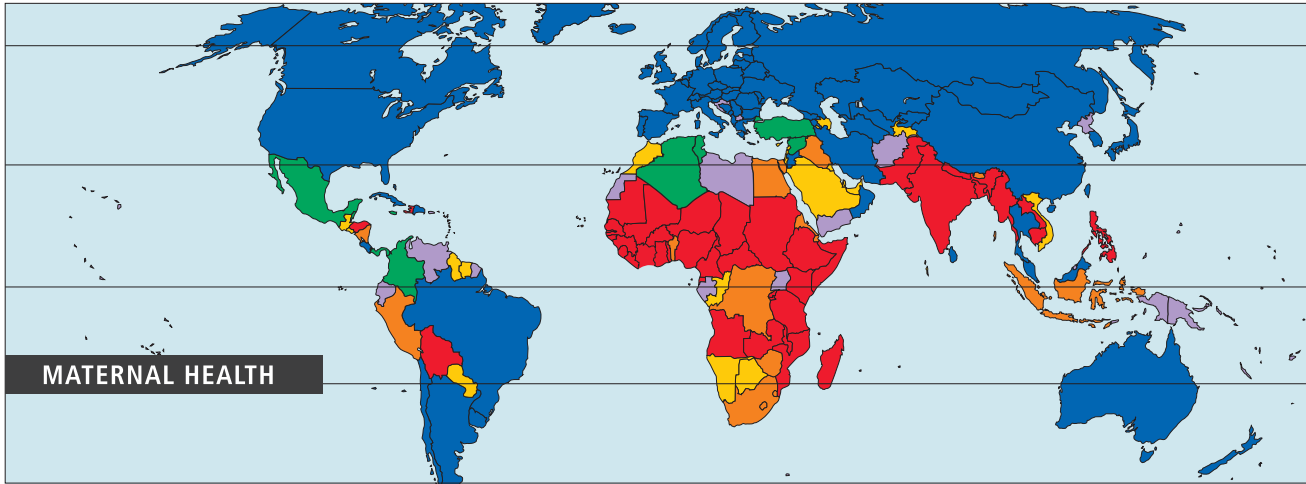
| | 1990 | 2000 | 2010 |
|------------|------|------|------|
| Critical | 42 | 35 | 22 |
| Very Low | 18 | 17 | 22 |
| Low | 34 | 19 | 19 |
| Medium | 29 | 43 | 40 |
| Acceptable | 33 | 50 | 58 |
| Total | 156 | 164 | 161 |

Percentage of countries in BCI levels



► BCI 2010 BY COMPONENTS

References: Acceptable Medium Low Very Low Critical No data



MADE POSSIBLE THANKS TO THE FUNDING AND SUPPORT OF THE EUROPEAN UNION AND OXFAM NOVIB.

THE INTERNATIONAL SECRETARIAT OF SOCIAL WATCH ALSO RECEIVES FUNDING AND SUPPORT FROM THE FORD FOUNDATION AND THE COALITION OF THE FLEMISH NORTH SOUTH MOVEMENT - 11.11.11.

THE CONTENTS OF THIS PUBLICATION ARE THE SOLE RESPONSIBILITY OF SOCIAL WATCH AND CAN IN NO WAY BE TAKEN TO REFLECT THE VIEWS OF THE EUROPEAN UNION, OXFAM NOVIB, THE FORD FOUNDATION OR THE COALITION OF THE FLEMISH NORTH SOUTH MOVEMENT 11.11.11.

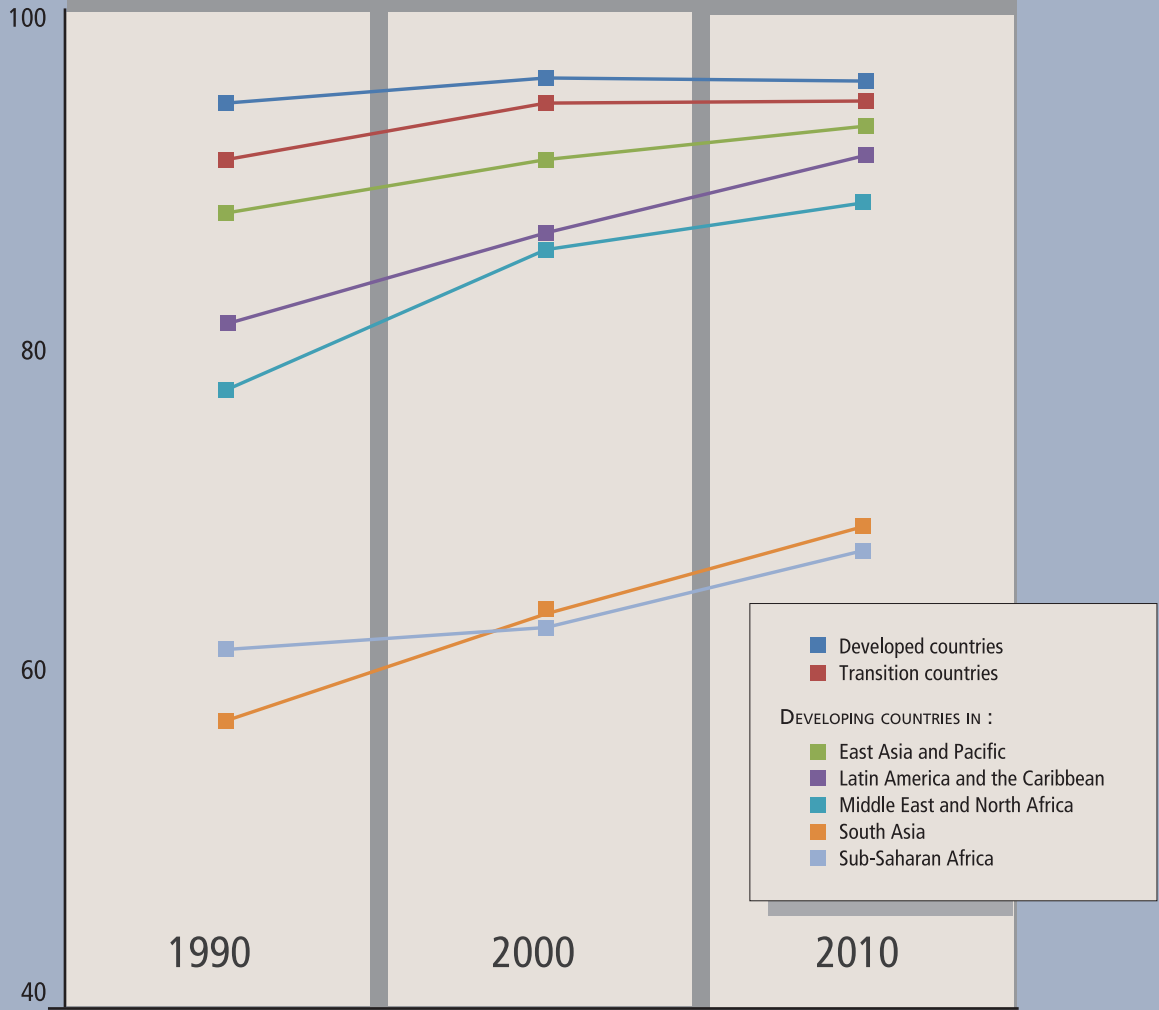
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The 2010 Basic Capabilities Index developed by Social Watch shows that in the last twenty years poverty reduction has slowed down. The evolution of this index since 2000, when the Millennium Development Goals were set, indicates that progress is decelerating instead of accelerating, and the international community's efforts have not translated into a more rapid improvement of people's lives. Social progress does not automatically follow economic growth and better indicators are needed to more accurately monitor the evolution of non-monetary poverty in the world.



Evolution of BCI by regions: 1990-2010



THE CURRENT PICTURE AS SHOWN BY THE BCI

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-measurements indicators are based on the premise that poverty is a monetary phenomenon and they measure, for example, how many persons live with an income of under one dollar a day. The BCI, like other alternative (non-monetary) ways of measuring poverty, is based instead on a person's capability of accessing a series of services 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.

The BCI is the average of three indicators: 1) mortality among children under five, 2) reproductive or maternal-child health, and 3) education (measured by a combination of enrolment in primary education and the proportion of children reaching fifth grade). 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 per cent and, when deducted from 100, a basic index 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.¹ These three indicators are then averaged, so the total value of the index will vary between 0% and 100%.

Thus, the BCI of a country approaches 100 when there is universal access to the three minimum levels of social coverage mentioned above. Social Watch understands that a BCI value close to the maximum reflects the "dignity for all" proclaimed by the Universal Declaration of Human Rights.

THE BCI 2010

The 2010 BCI has been calculated for three points in time, with different sources of free access information.² So as to complete the data for 1990, 2000 and 2009, the Social Watch research team constructed a system of approximate measures (or proxies) that maximise the available information. For 1990 this involved considering all the data available in a range of 5 years, taking 1990 as a base and assuming +/- 2 years. In cases where

no information before 1990 was available, the five year range was still taken but up to 1995 inclusive. For 2000, we took a five-year range with 2000 as the base year and a criterion of +/- 2 years. Lastly, for 2009, we applied the criterion of the latest data available since 2005.

There is a high level of correlation among the values of the three indicators, and the values of each indicator are correlated with its values at different points in time, so for countries for which we did not have information about the percentage of births attended by skilled medical personnel, we imputed values based on the other two indicators in the index (education and infant mortality). So as to be able to categorise countries' evolution, the Social Watch team applied the following cut-off points: less than one negative standard deviation from the average of evolution (Severe Regression); between one negative standard deviation from the average and -1% of the variation in the rate (Regression); between -1% and 1% of variation in the rate (Stagnation); between 1% of variation in the rate and a standard deviation over the average variation (Slight Progress); and more than one standard deviation over the variation average (Significant Progress).

The BCI was calculated for 162 countries for 2009, 163 for 2000 and 163 for 1990. Countries are grouped in various categories. Countries in the most serious situation are those with a Critical BCI (less than 70 points). In the Very Low BCI category (from 70 to 79 points) there are countries facing major obstacles to achieving well-being for the population. The countries with Low BCI (from 80 to 89 points) are at an intermediate level as regards the satisfaction of basic needs, and their performance varies in some dimensions of development. The countries that have progressed and now satisfy most or all the population's basic capabilities are in the two categories with the highest values: Medium BCI (from 90 to 96) and Acceptable (97 points and more).

¹ The BCI indicators:

1. Education: a) The percentage of children that reach the fifth grade in primary education; b) Net enrolment rate in primary education. The Education indicator is made up of the average of these two values (a and b)

2. Mortality among children under five. The value of this indicator is represented as $1-(100-M)$, as the rate of survival until the age of five, where M is the death rate in the first five years of life per 1,000 births.

3. The percentage of births attended by skilled health personnel.

² For the complete list of sources, see: <www.socialwatch.org>.

ONE DECADE OF EVOLUTION BASIC CAPABILITIES INDEX



SOCIAL WATCH

