



THE BASIC CAPABILITIES INDEX

a measure of “dignity for all”

There are many ways to define “poverty” and many methods to measure it. How a society defines which of its members are “poor” is a relative concept that changes over time but, generally, expresses the insufficient satisfaction of a set of basic needs that includes housing, clothing, education, access to health services, food and entertainment. Thus, lack of a TV set can become, in many places, a factor defining a family as poor, while possessing one was an expression of luxury 50 years ago.

While not being able to satisfy some basic needs in a dignified way defines a household as poor, the inability to reach a minimum daily intake of food defines the condition of “extreme poverty” or “absolute poverty”. Based on empirical research conducted a couple of decades ago, the World Bank determined a daily income equivalent to one dollar a day as being the universal line to define extreme poverty.

Poverty indicators based on income are extremely difficult to compute, as they require extensive and expensive household surveys. Further, low income countries have a bigger informal and non-monetized economy and vulnerable social sectors within them -- particularly those not living in the major towns tend to satisfy a bigger proportion of their needs outside the market economy, making income estimates and their international comparisons even more difficult. When those estimates exist, their evolution over time is extremely hard to assess, since many years pass between one survey and the next one.

Thus, for example, prior to a major worldwide survey on income poverty carried out in 2005, the estimates on the one dollar poverty line were based on surveys conducted in 1993 for most countries and in 1985 for India, while no such study had ever been carried out in China before and all figures for the most populated country in the world were just educated guesses.

Further, since income poverty definitions based on household surveys usually express national averages, they are useless for analyzing variations in poverty levels between provinces or municipalities. When civil society organizations monitor social policies, like the Social Watch national coalitions around the world do, the trends are even more important than the absolute number. Is poverty increasing or diminishing? Is the trend faster or slower than in the neighbouring countries? And what about the neighbour provinces?

Thus, Social Watch developed a Basic Capabilities Index (BCI) as a tool to monitor the evolution of basic social indicators and compare them between and within countries without using income statistics*.

The BCI indicators express different areas addressed by internationally agreed development goals (education, children's health and reproductive health). By not using income as an indicator, the BCI is consistent with a definition of poverty based on capabilities and (the denial of) human rights. At the same time, the index is comparatively easy to compute at sub-national and municipal levels.

The BCI is a simple average of three indicators: percentage of children who reach fifth grade, survival until the fifth year of age (based on mortality among children under five) and percentage of deliveries attended by skilled health personnel.

As a summary index, the BCI provides a consistent general overview of the health status and basic educational performance of a population. It has also proven to be closely correlated to the measurement of other human capabilities related to countries' social development. The index makes it possible to assign a score to each country and compare it with other countries, or assess its evolution over time.

The highest possible BCI score is reached when all women receive medical assistance during labour, no child leaves school before completing the fifth grade and infant mortality is less than five deaths for every thousand live births, seemingly the lowest possible level attainable. These indicators are closely linked to the minimum capabilities that members of any society should have and which mutually reinforce one another. They focus especially on capabilities that incorporate the youngest members of society and reflect a concern for women's wellbeing, thereby fostering future development.

A BCI value close of 99+ means in essence that practically all of the inhabitants in a country benefit from very basic education and health. Since a high BCI can only be achieved without malnourishment (of children and their mothers) and when basic housing and sanitation are provided, at Social Watch we understand a BCI value close to the maximum to be synonymous with the "dignity for all" that the Universal Declaration of Human Rights wants to achieve. Such dignity is not the objective of social development but a necessary starting point to achieve it.

Thus, the BCI is not especially useful to distinguish between countries that have achieved minimum social standards, but it turns up extremely helpful to assess the situation and trends whenever comparatively high levels of poverty prevail.

* The current formulation of the BCI is an elaboration of the Social Watch research team, based on an idea first developed as "Quality of Life Index" by Action for Economic Reforms for the Social Watch coalition in the Philippines. In turn, it was inspired in the Capability Poverty Measure (CPM) proposed by Professor Amartya Sen and popularized by the Human Development Report of the United Nations Development Programme (UNDP). For a detailed methodological explanation and the complete tables on which the BCI is based, see www.socialwatch.org