Arab Republic of Egypt

Human Capital Index 2020

This brief provides an update to the Human Capital Index (HCI). First launched in 2018, the HCI measures the amount of human capital that a child born today can expect to attain by age 18. It conveys the productivity of the next generation of workers compared to a benchmark of complete education and full health. Worldwide a child born in 2020 can expect, on average, to be 56 percent as productive as she could be when she grows up. All data represent the status of countries pre-COVID-19.

THE HUMAN CAPITAL INDEX

Human Capital Index. A child born in Egypt today will be **49 percent** as productive when she grows up as she could be if she enjoyed complete education and full health. This is lower than the average for Middle East & North Africa region but slightly higher than the average for Lower middle income countries. Between 2010 and 2020, the HCI value for Egypt increased from 0.48 to 0.49. Figure 1 shows how the HCI and each of the components evolved over time.

- **Probability of Survival to Age 5. 98** out of 100 children born in Egypt survive to age 5.

- **Expected Years of School.** In Egypt, a child who starts school at age 4 can expect to complete **11.5 years** of school by her 18th birthday.

- **Harmonized Test Scores.** Students in Egypt score **356** on a scale where 625 represents advanced attainment and 300 represents minimum attainment.

- **Learning-adjusted Years of School.** Factoring in what children actually learn, expected years of school is only **6.5 years**.

- **Adult Survival Rate.** Across Egypt, **86 percent** of 15-year olds will survive until age 60. This statistic is a proxy for the range of health risks that a child born today would experience as an adult under current conditions.

- **Healthy Growth (Not Stunted Rate). 78** out of 100 children are **not** stunted. **22** out of 100 children are stunted, and so are at risk of cognitive and physical limitations that can last a lifetime.

DIFFERENCES IN HCI ACROSS GENDER AND SOCIO-ECONOMIC GROUPS

In Egypt, the HCI for girls is higher than for boys. Table 1 shows gender disaggregation for each of the HCI components.
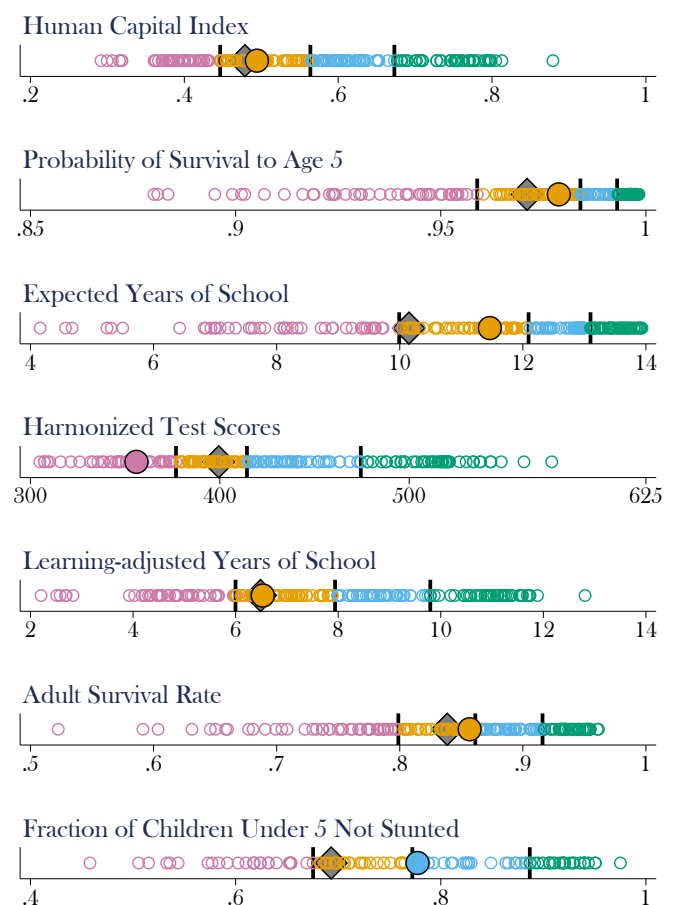
The ratio in HCI between the richest and poorest 20 percent of the population in Egypt is **1.27** (global average: 1.35; global range: 1.12-1.68).

Table 1. HCI by Gender and Socio-economic Group

Component	Boys	Girls	Overall
HCI	0.48	0.51	0.49
Survival to Age 5	0.98	0.98	0.98
Expected Years of School	11.4	11.6	11.5
Harmonized Test Scores	344	368	356
Learning-adjusted Years of School	6.3	6.8	6.5
Adult Survival Rate	0.82	0.90	0.86
Not Stunted Rate	0.76	0.79	0.78
HCI Ratio (richest / poorest 20 percent)			1.27

For more on socioeconomic disaggregated HCI, please visit
https://www.worldbank.org/en/publication/human-capital/brief/insights-from-disaggregating-the-human-capital-index

Figure 1. HCI and Components

Human Capital Index

Probability of Survival to Age 5

Expected Years of School

Harmonized Test Scores

Learning-adjusted Years of School

Adult Survival Rate

Fraction of Children Under 5 Not Stunted

Note:
- Large circle represents Egypt, Arab Rep. in 2020
- Diamond represents Egypt, Arab Rep. in 2010
- Small circles represent other countries
- Lines and color of circles indicate quartiles of the distribution

PROTECT AND INVEST *in people*

Despite recent progress, countries in the Middle East & North Africa could do much more to improve the state of human capital, its utilization, and gender equality. This requires adequate, efficient, and effective public investment to improve health and education outcomes, increase employment of women and youth to better utilize existing human capital, and strengthen social protection systems to help all people reach their full potential.
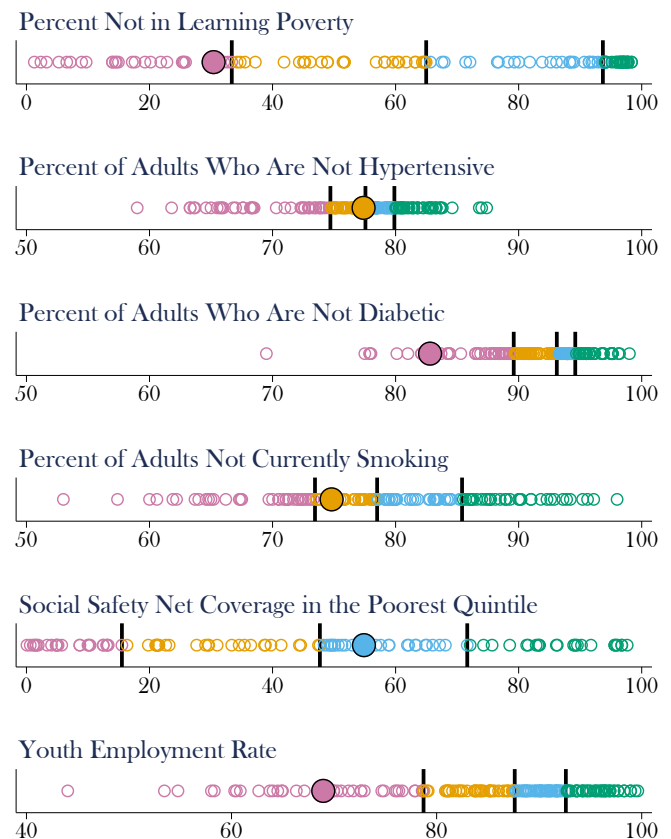
DOMESTIC RESOURCE UTILIZATION AND MOBILIZATION

- **Health Spending.** Egypt spends **1.8 percent** *(2017)* of its GDP in public spending on health. This is lower than both the regional average (3.4%) and the average for its income group (2.8%). **26 percent** *(2012)* of the population incurs catastrophic health expenditure measured as out-of-pocket spending exceeding 10% of household consumption or income.

- **Education Spending.** Egypt spends **2.3 percent** *(2019)* of its GDP in government education spending. This is lower than both the regional average (4.4%) and the average for its income group (4.5%).

- **Social Assistance Spending.** Egypt spends **2.7 percent** *(2018)* of its GDP on social assistance. This is higher than both the regional average (1.4%) and the average for its income group (1.4%).

- **Government Revenue.** General government revenue in Egypt is **20.7 percent** *(2018)* of GDP. This is lower than both the regional average (30.2%) and the average for its income group (27.3%).

COMPLEMENTARY INDICATORS

- **Learning Poverty.** In Egypt, **70 percent** *(2016)* of 10-year-olds cannot read and understand a simple text by the end of primary school. This is higher than both the average for its region (48%) and the average for its income group (59%).

- **Pre-primary Gross Enrollment.** In Egypt, the gross enrollment ratio in pre-primary education is **29 percent** *(2018)*. This is lower than both the average for its region (46%) and the average for its income group (49%).

- **NCD Deaths.** In Egypt, the probability of dying between ages 30 and 70 from cardiovascular disease, cancer, diabetes, or chronic respiratory diseases is **28 percent** *(2016)*. This is higher than both the average for its region (17%) and the average for its income group (21%).

- **Hypertension.** In Egypt, **23 percent** *(2015)* of the population age 18 and older has hypertension. This is higher than both the average for its region (20%) and the average for its income group (22%).

- **Diabetes.** In Egypt, **17 percent** *(2019)* of the population ages 20-79 has type 1 or type 2 diabetes. This is higher than both the average for its region (11%) and the average for its income group (8%).

- **Smoking.** In Egypt, **25 percent** *(2016)* of the population age 15 and older are current smokers. This is higher than both the average for its region (21%) and the average for its income group (19%).

- **Social Safety Net Coverage.** In Egypt, **55 percent** *(2008)* of the poorest quintile is covered by social safety nets. This is higher than both the average for its region (45%) and the average for its income group (39%).

- **Human Capital Utilization.** In Egypt, **41 percent** *(2017)* of the working-age population is employed. This is lower than both the average for its region (51%) and the average for its income group (54%).

- **Female Labor Force Participation.** In Egypt, the female labor force participation rate is **22 percent** *(2019)*. This is lower than both the average for its region (31%) and the average for its income group (50%).

- **Youth Unemployment Rate.** In Egypt, the unemployment rate for youth ages 15-24 is **31 percent** *(2019)*. This is higher than both the average for its region (22%) and the average for its income group (15%).

- **Road Traffic Deaths.** In Egypt, for every 100,000 people, **10 people** *(2016)* die due to road traffic injury. This is lower than both the average for its region (17) and the average for its income group (20).

- **Internet Connectivity.** In Egypt, **57 percent** *(2019)* of the population uses the internet. This is lower than the average for its region (72%) but higher than the average for its income group (34%).

Figure 2. Complementary Indicators

Percent Not in Learning Poverty

Percent of Adults Who Are Not Hypertensive

Percent of Adults Who Are Not Diabetic

Percent of Adults Not Currently Smoking

Social Safety Net Coverage in the Poorest Quintile

Youth Employment Rate

Note:
- Large circle represents Egypt, Arab Rep.
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For more information on the definition of indicators and data sources, please visit: www.worldbank.org/humancapital

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