THE HUMAN CAPITAL INDEX (HCI) AND ITS COMPONENTS

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. It is constructed for 157 countries.

It is made up of five indicators: the probability of survival to age five, a child’s expected years of schooling, harmonized test scores as a measure of quality of learning, adult survival rate (fraction of 15-year olds that will survive to age 60), and the proportion of children who are not stunted.

Globally, 56 percent of all children born today will grow up to be, at best, half as productive as they could be; and 92 percent will grow up to be, at best, 75 percent as productive as they could be.

WHAT IS THE STATE OF HUMAN CAPITAL IN HONG KONG SAR, CHINA?

- **Human Capital Index.** A child born in Hong Kong SAR, China today will be 82 percent as productive when she grows up as she could be if she enjoyed complete education and full health.

  - **Probability of Survival to Age 5.** 99 out of 100 children born in Hong Kong SAR, China survive to age 5.

  - **Expected Years of School.** In Hong Kong SAR, China, a child who starts school at age 4 can expect to complete 13.4 years of school by her 18th birthday.

  - **Harmonized Test Scores.** Students in Hong Kong SAR, China score 562 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 12.1 years.

  - **Adult Survival Rate.** Across Hong Kong SAR, China, 95 percent of 15-year olds will survive until age 60. This statistic is a proxy for the range of fatal and non-fatal health outcomes that a child born today would experience as an adult under current conditions.

  - **Healthy Growth (Not Stunted Rate).** Data on stunting are not available for Hong Kong SAR, China.

ARE THERE GENDER DIFFERENCES IN HCI?

In Hong Kong SAR, China, the HCI for girls is higher than for boys. Table 1 shows gender disaggregation for each of the HCI components.

<table>
<thead>
<tr>
<th>Component</th>
<th>Boys</th>
<th>Girls</th>
<th>Overall</th>
</tr>
</thead>
<tbody>
<tr>
<td>HCI</td>
<td>0.81</td>
<td>0.83</td>
<td>0.82</td>
</tr>
<tr>
<td>Survival to Age 5</td>
<td>0.99</td>
<td>0.99</td>
<td>0.99</td>
</tr>
<tr>
<td>Expected Years of School</td>
<td>13.4</td>
<td>13.4</td>
<td>13.4</td>
</tr>
<tr>
<td>Harmonized Test Scores</td>
<td>560</td>
<td>564</td>
<td>562</td>
</tr>
<tr>
<td>Learning-adjusted Years of School</td>
<td>12</td>
<td>12.1</td>
<td>12.1</td>
</tr>
<tr>
<td>Adult Survival Rate</td>
<td>0.93</td>
<td>0.96</td>
<td>0.95</td>
</tr>
<tr>
<td>Not Stunted Rate</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Note:
- Large circle represents Hong Kong SAR, China
- Small circles represent other countries
- Thick, vertical lines and color of circles reflect quartiles of the distribution
HOW DOES HONG KONG SAR, CHINA COMPARE?

Between 2012 and 2017, the HCI value for Hong Kong SAR, China remained approximately the same at 0.82 (Figure 2).

In 2017, Hong Kong SAR, China’s HCI is higher than the average for its region and income group.

HOW MUCH ARE CHILDREN ACTUALLY LEARNING IN SCHOOL?

Children in Hong Kong SAR, China can expect to complete 13.4 years of pre-primary, primary and secondary school by age 18. However, when years of schooling are adjusted for quality of learning, this is only equivalent to 12.1 years: a learning gap of 1.3 years (Figure 3).

IS HONG KONG SAR, CHINA’S HCI IN LINE WITH WHAT IS PREDICTED FOR ITS INCOME LEVEL?

In 2017, the HCI for Hong Kong SAR, China is higher than what would be predicted for its income level (Figure 4).

THE HUMAN CAPITAL PROJECT

The Human Capital Project seeks to raise awareness and increase demand for interventions to build human capital. It aims to accelerate better and more investments in people. The Project has three elements (i) the Human Capital Index, (ii) a program to strengthen research and measurement on human capital; and (iii) support to countries to accelerate progress in raising human capital outcomes.

For more information on the Human Capital Project please visit www.worldbank.org/humancapitalproject

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