

Islamic Republic of Iran

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 Iran today will be **59 percent** as productive when she grows up as she could be if she enjoyed complete education and full health. This is higher than the average for Middle East & North Africa region and Upper middle income countries. Between 2010 and 2020, the HCI value for Iran increased from 0.56 to 0.59. Figure 1 shows how the HCI and each of the components evolved over time.

- **Probability of Survival to Age 5.** 99 out of 100 children born in Iran survive to age 5.
- **Expected Years of School.** In Iran, a child who starts school at age 4 can expect to complete **11.8 years** of school by her 18th birthday.
- **Harmonized Test Scores.** Students in Iran score **432** 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 **8.2 years**.
- **Adult Survival Rate.** Across Iran, **93 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).** Data on stunting are not available for Iran.

DIFFERENCES IN HCI ACROSS GENDER AND SOCIO-ECONOMIC GROUPS

In Iran, the HCI for girls is higher than for boys. Table 1 shows gender disaggregation for each of the HCI components.

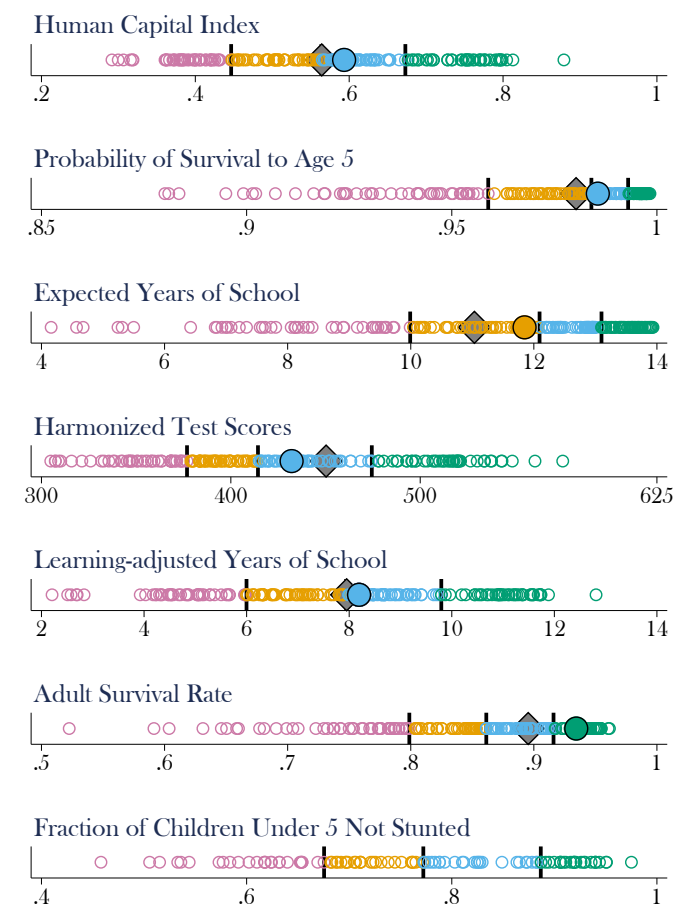
In Iran, there are not sufficient data to disaggregate HCI by socio-economic groups.

Table 1. HCI by Gender and Socio-economic Group

Component	Boys	Girls	Overall
HCI	0.58	0.61	0.59
Survival to Age 5	0.98	0.99	0.99
Expected Years of School	11.9	11.8	11.8
Harmonized Test Scores	420	446	432
Learning-adjusted Years of School	8.0	8.4	8.2
Adult Survival Rate	0.92	0.95	0.93
Not Stunted Rate	-	-	-
HCI Ratio (richest / poorest 20 percent)	-	-	-

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



Note:

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

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

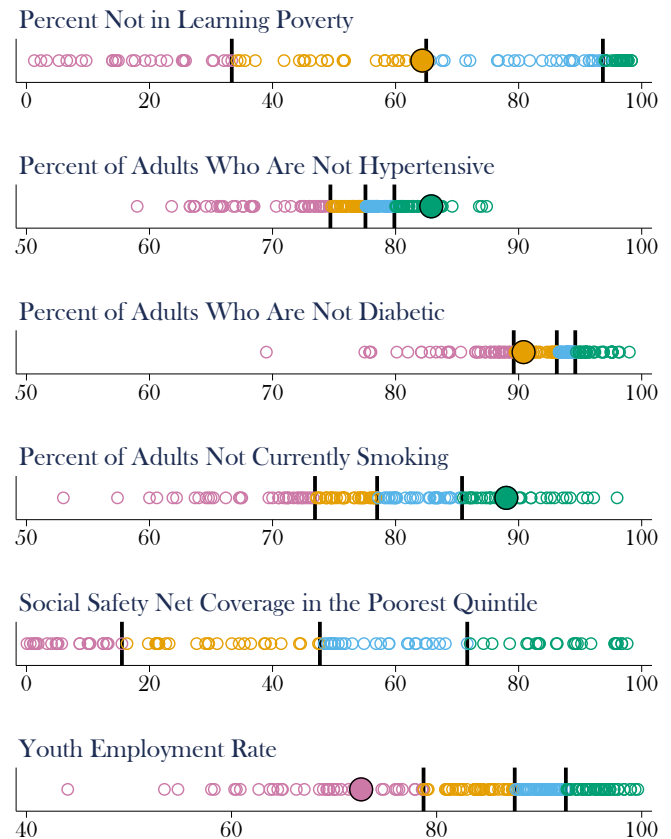
- **Health Spending.** Iran spends **4.4 percent** (2017) of its GDP in public spending on health. This is higher than both the regional average (3.4%) and the average for its income group (4%). **16 percent** (2013) of the population incurs catastrophic health expenditure measured as out-of-pocket spending exceeding 10% of household consumption or income.
- **Education Spending.** Iran spends **4.0 percent** (2018) of its GDP in government education spending. This is lower than both the regional average (4.4%) and the average for its income group (4.7%).
- **Social Assistance Spending.** In Iran, data on social assistance spending are not available. The average for its region is 1.4 percent and for its income group is 1.5 percent.
- **Government Revenue.** General government revenue in Iran is **15.8 percent** (2018) of GDP. This is lower than both the regional average (30.2%) and the average for its income group (30.6%).

COMPLEMENTARY INDICATORS

- **Learning Poverty.** In Iran, **36 percent** (2016) of 10-year-olds cannot read and understand a simple text by the end of primary school. This is lower than both the average for its region (48%) and the average for its income group (38%).
- **Pre-primary Gross Enrollment.** In Iran, the gross enrollment ratio in pre-primary education is **54 percent** (2016). This is higher than the average for its region (46%) but lower than the average for its income group (63%).
- **NCD Deaths.** In Iran, the probability of dying between ages 30 and 70 from cardiovascular disease, cancer, diabetes, or chronic respiratory diseases is **15 percent** (2016). This is lower than both the average for its region (17%) and the average for its income group (20%).
- **Hypertension.** In Iran, **17 percent** (2015) of the population age 18 and older has hypertension. This is lower than both the average for its region (20%) and the average for its income group (23%).
- **Diabetes.** In Iran, **10 percent** (2019) of the population ages 20-79 has type 1 or type 2 diabetes. This is lower than the average for its region (11%) but similar to the average for its income group (10%).
- **Smoking.** In Iran, **11 percent** (2016) of the population age 15 and older are current smokers. This is lower than both the average for its region (21%) and the average for its income group (24%).
- **Social Safety Net Coverage.** In Iran, data on social safety net coverage of the poorest quintile are not available. The average for its region is 45 percent and for its income group is 57 percent.
- **Human Capital Utilization.** In Iran, **42 percent** (2018) 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 (57%).
- **Female Labor Force Participation.** In Iran, the female labor force participation rate is **18 percent** (2019). This is lower than both the average for its region (31%) and the average for its income group (47%).
- **Youth Unemployment Rate.** In Iran, the unemployment rate for youth ages 15-24 is **27 percent** (2019). This is higher than both the average for its region (22%) and the average for its income group (22%).

- **Road Traffic Deaths.** In Iran, for every 100,000 people, **21 people** (2016) die due to road traffic injury. This is higher than both the average for its region (17) and the average for its income group (17).
- **Internet Connectivity.** In Iran, **70 percent** (2018) 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 (60%).

Figure 2. Complementary Indicators



Note:

- Large circle represents Iran, Islamic Rep.
- Small circles represent other countries
- Lines and color of circles indicate quartiles of the distribution

This brief is based on the most recent data available from the Human Capital Project, World Development Indicators, Atlas of Social Protection Indicators of Resilience and Equity (ASPIRE), UNESCO Institute for Statistics, WHO Global Health Observatory and Global Health Expenditure Database, IMF World Economic Outlook, selected national sources and World Bank staff estimates.

For more information on the definition of indicators and data sources, please visit: www.worldbank.org/humancapital