

# Malaysia

## 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 Malaysia today will be **61 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 East Asia & Pacific region and Upper middle income countries. Between 2010 and 2020, the HCI value for Malaysia increased from 0.58 to 0.61. 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 Malaysia survive to age 5.
- **Expected Years of School.** In Malaysia, a child who starts school at age 4 can expect to complete **12.5 years** of school by her 18th birthday.
- **Harmonized Test Scores.** Students in Malaysia score **446** 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 **8.9 years**.
- **Adult Survival Rate.** Across Malaysia, **88 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).** 79 out of 100 children are **not** stunted. 21 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 Malaysia, the HCI for girls is higher than for boys. Table 1 shows gender disaggregation for each of the HCI components.

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

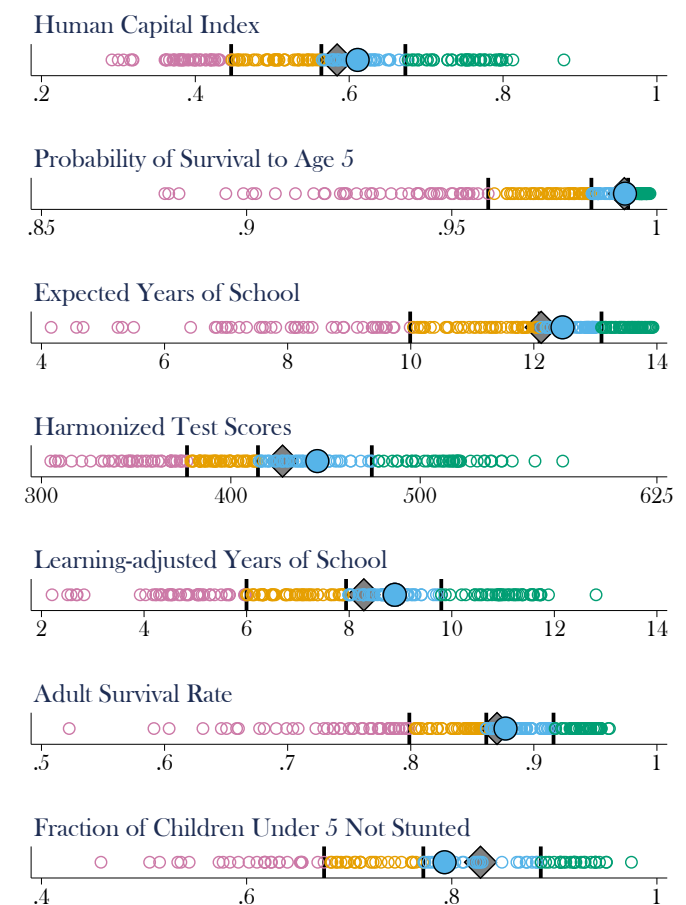
**Table 1. HCI by Gender and Socio-economic Group**

Component	Boys	Girls	Overall
HCI	0.59	0.63	0.61
Survival to Age 5	0.99	0.99	0.99
Expected Years of School	12.3	12.7	12.5
Harmonized Test Scores	439	452	446
Learning-adjusted Years of School	8.6	9.2	8.9
Adult Survival Rate	0.84	0.92	0.88
Not Stunted Rate	0.79	0.79	0.79

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 Malaysia in 2020
- Diamond represents Malaysia in 2010
- Small circles represent other countries
- Lines and color of circles indicate quartiles of the distribution

Countries in the East Asia and Pacific (EAP) region have made remarkable progress on almost every dimension of human capital in the last decade (2010-2020). COVID-19, however, threatens to wipe out much of the progress. Action is needed to boost learning achievement; reinvigorate the health, nutrition, and education systems; and deploy social safety nets to protect the most vulnerable, thus enabling an inclusive and sustainable recovery and accelerating human capital accumulation.

### DOMESTIC RESOURCE UTILIZATION AND MOBILIZATION

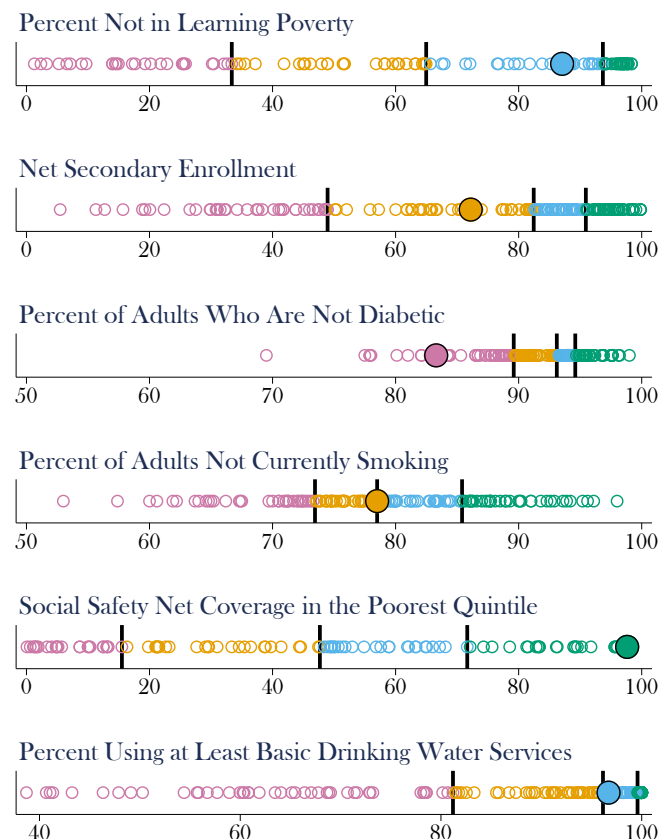
- **Health Spending.** Malaysia spends **2.0 percent** (2017) of its GDP in public spending on health. This is lower than both the regional average (4.9%) and the average for its income group (4%).
- **Education Spending.** Malaysia spends **4.5 percent** (2018) of its GDP in government education spending. This is lower than both the regional average (4.7%) and the average for its income group (4.7%).
- **Social Assistance Spending.** Malaysia spends **0.8 percent** (2016) of its GDP on social assistance. This is lower than both the regional average (1.1%) and the average for its income group (1.5%).
- **Government Revenue.** General government revenue in Malaysia is **19.1 percent** (2018) of GDP. This is lower than both the regional average (40.7%) and the average for its income group (30.6%).

### COMPLEMENTARY INDICATORS

- **Learning Poverty.** In Malaysia, **13 percent** (2017) 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 (15%) and the average for its income group (38%).
- **Net Secondary Enrollment.** In Malaysia, **72 percent** (2018) of secondary-school age children are enrolled in secondary school. This is similar to the average for its region (72%) but lower than the average for its income group (78%).
- **NCD Deaths.** In Malaysia, the probability of dying between ages 30 and 70 from cardiovascular disease, cancer, diabetes, or chronic respiratory diseases is **17 percent** (2016). This is lower than both the average for its region (21%) and the average for its income group (20%).
- **Diabetes.** In Malaysia, **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 (12%) and the average for its income group (10%).
- **Smoking.** In Malaysia, **22 percent** (2016) of the population age 15 and older are current smokers (**42 percent** among men). This is lower than both the average for its region (25%) and the average for its income group (24%).
- **Universal Health Coverage (UHC) Index.** The index, ranging from 0 to 100, measures coverage of essential health services based on tracer interventions. In Malaysia, the UHC Index score is **73** (2017). This is higher than both the average for its region (65) and the average for its income group (69).
- **Social Safety Net Coverage.** In Malaysia, **98 percent** (2016) 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 (57%).
- **Social Safety Net Adequacy.** In Malaysia, social assistance transfers represent **8 percent** (2016) of total welfare of households in the poorest quintile. This is lower than both the average for its region (9%) and the average for its income group (23%).
- **Human Capital Utilization.** In Malaysia, **66 percent** (2017) of the working-age population is employed. This is higher than both the average for its region (65%) and the average for its income group (57%).

- **Female Labor Force Participation.** In Malaysia, the female labor force participation rate is **51 percent** (2019). This is lower than the average for its region (57%) but higher than the average for its income group (47%).
- **Drinking Water.** In Malaysia, **97 percent** (2017) of the population has at least a basic source of drinking water. This is higher than both the average for its region (92%) and the average for its income group (95%).

Figure 2. Complementary Indicators



Note:

- Large circle represents Malaysia
- 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](http://www.worldbank.org/humancapital)