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World Bank's Human Capital Index 2020

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Why in News

Recently, the **World Bank** released the **Human Capital Index (HCI)** report for 2020. The index **benchmarks key components of human capital** across countries.

India has been ranked at the **116th position** in the HCI 2020.

Key Points

- **Human Capital:** It consists of the **knowledge, skills, and health** that people accumulate over their lives, enabling them to realize their potential as productive members of society.
- **Parameters Used in HCI:** The HCI 2020 includes **health and education data of children for 174 countries** up to March 2020. Thus providing a pre-pandemic baseline.

It covers 98% of the world's population.

- **Outcome:** The HCI 2020 shows that **pre-pandemic**, most countries had made **steady progress** in building human capital of children, with the **biggest strides made in low-income countries**.

However, despite this progress, a child born in a typical country could expect to achieve just 56% of their potential human capital, relative to a benchmark of complete education and full health.

- **Pandemic Effect:** The pandemic puts at **risk the decade's progress in building human capital**, including the improvements in health, survival rates, school enrollment, and reduced stunting.
 - More than **1 billion children have been out of school** and could lose out, on average, half a year of schooling.
 - It has created significant **disruptions to essential health services for women and children**, with many children missing out on crucial vaccinations.
 - It has **increased income inequality**, its economic impact has been particularly deep for women and for the most disadvantaged families, leaving many vulnerable to food insecurity and poverty.
- **India Specific Data:**
 - **Last year India was ranked 115 out of 157 countries.** This year India finds itself at **116th from among 174 countries.** However, India's **score increased to 0.49** in 2020 from 0.44 in 2018.
 - **Recent Initiatives by India to Strengthen Human Capital:**
 - **Ayushman Bharat Yojana**
 - **National Education Policy**
 - **Atmanirbhar Bharat Yojana**
 - **TULIP: The Urban Learning Internship Program**
 - **Samagra Shiksha**
- **Other Reports Published by World Bank:**
 - **Global Economic Prospects**
 - **Ease of Doing Business**
 - **World Development Report**

Way Forward

- The HCI provides a basis on which the government of India can prioritize and a dimension to support human capital.
- The World Bank is working with India on supporting livelihood for the poor. Given the progress that has been made in recent times, it seems more significant for now due to Covid-19.
- Protecting and investing in people is vital as countries work to lay the foundation for sustainable, inclusive recoveries and future growth.

Source: HT