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Global Human Capital Index - WEF

Why in news?

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The “World Economic Forum’s - Global Human Capital Index”, ranked India at a 103rd among 130 countries.

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What does the report say?

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- The Global Human Capital Index 2017 ranks countries on how well they are developing their human capital.

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- The rankings are based on four thematic dimensions — capacity, deployment, development, and know-how.

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- The index is led by Scandinavian nations Norway, Finland and Switzerland, followed by large economies such as the US and Germany.

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- In South Asia, the race is led by Sri Lanka at rank 70 and Nepal at 98, while India has a slightly better standing than Bangladesh & Pakistan.

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- With the exception of Sri Lanka, the other South Asian countries are yet to reach the 60% threshold in HDI.

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What are the implications for India?

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- This is a scathing commentary on how India is handling its demographic

dividend.

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- India stands at the bottom among the G20 nations, is the lowest among BRICS nations.

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- Dragged down by its poor labour participation and a big gender gap, India seems to be struggling against huge challenges.

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- It has been noted that although India's current educational attainment rate has improved over past generations, its youth literacy rate stands at a paltry 89%.

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What are the positives for India?

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- Despite the low ratings, the report notes that India is showing signs of slowly moving in the right direction.

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- The primary way to realise the full human potential is by increasing inclusivity and expanding access to education and employment opportunities.

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- On that note, the country scores well on the 'know-how' parameter that measures the use of specialised skills at work - such as economic complexity, availability of skilled employees.

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- The other markers are that India ranks well on are its improving education system, skill diversity of graduates and high-skilled employment share.

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What are the worldwide trends?

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- The world average was only 62% on human capital development.

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- Only 25 nations were found to have tapped at least 70% of their human capital, while for 14 countries was below 50%.

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- South Asia's overall score was behind the Middle East and North Africa but ahead of Sub-Saharan Africa.

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- China was ranked an impressive 34th and its rapid expansion of educational attainment across its younger generations is poised to be an asset in preparing the future workforce.

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Source: New Indian Express

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