



India and Human Capital Index

Why in news?

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The World Bank has launched a first-of-its-kind index called the Human Capital Index (HCI).

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What is HCI all about?

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- Human Capital Index (HCI) is been brought out by World Bank, which is first of its kind index.

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- The HCI is based on five parameters child survival, school enrolment, quality of learning in schools, healthy and safe environment for growth, and adult survival for each of the 157 countries it mapped.

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- These parameters were chosen because studies show that they are closely linked with a population's productivity.

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- For each country, the HCI value ranges between 0 and 1 and shows how far below its potential a country performs.

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What are the findings of the report?

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- Singapore topped the list with an HCI score of 0.88, followed by the Republic of Korea and Japan, jointly at 0.84.

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- India was ranked a lowly 115 with an HCI score of 0.44.
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- India also lags other comparable countries and neighbours such as Bangladesh, Indonesia, Nepal and Malaysia.
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- HCI ranked India behind regions such as West Bank and Gaza, which have been suffering conflict for decades.
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What are the concerns spotlighted on India?

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- The HCI report stated that India's score is lower than the average for its region and income group.
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- As a result, be it health variables such as stunting and wasting or enrolment in schools and quality of academic achievements, India lags most of its peers.
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- The report points out that the productivity of India's population is just 44 per cent of what it could be.
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- From a policy perspective, it means that business-as-usual will cost India 56 per cent of its income in the long run.
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- Thus India's human capital is not properly developed is a fact that has been revisited by numerous reports and surveys, both national and international.
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What is government's response in this regard?

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- Indian government summarily "ignore" the findings of the HCI and the government's reservations were on multiple levels.
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- Government argues that the HCI did not reflect on the efforts that have been undertaken in the recent past ranging from Samagra Shiksha Abhiyan (for education) to Ayushman Bharat (for health).

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- Government officials argued that the HCI used metrics of the industrial era to measure the status of human capital for the digital age.

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- There was also much consternation about some methodological inaccuracies and data gaps.

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Source: Business Standard

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