

# WHAT IS HUMAN CAPITAL AND WHY IS IT RELEVANT?

**hu-man cap-i-tal (noun):** The attributes of a population that, along with physical capital such as buildings, equipment, and other tangible assets, contribute to economic productivity. These attributes include aggregate levels of education, training, skills, and health in a population that affect the rate at which technologies can be developed, adopted, and employed to increase productivity.

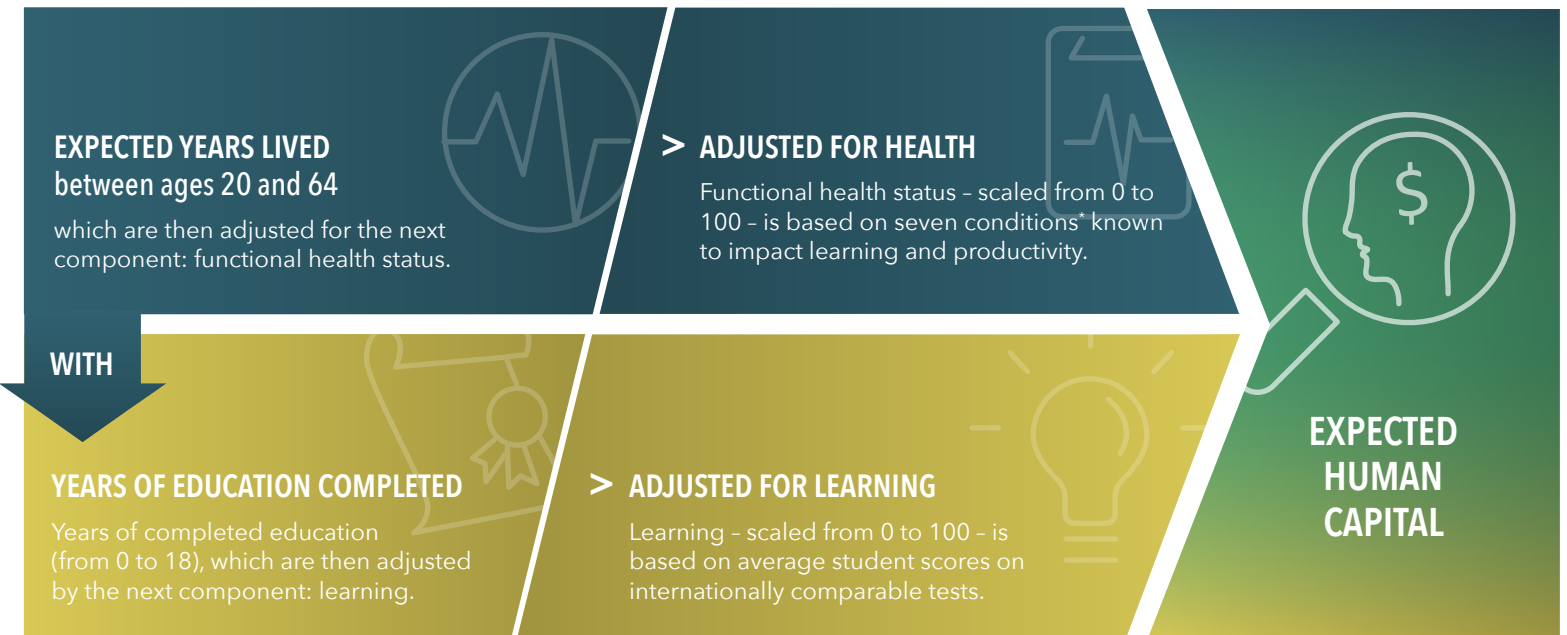
In “Measuring human capital: a systematic analysis of 195 countries and territories, 1990-2016” IHME provides the first internationally comparable index of human capital. Building on past efforts, the study offers a measure of expected human capital that incorporates educational attainment, education quality or learning, functional health status, and survival for 195 countries, from 1990 to 2016.

**EACH COUNTRY IS ASSIGNED A HUMAN CAPITAL SCORE RANGING FROM 0 TO 45,** measured in units of health-, education-, and learning-adjusted expected years lived between age 20 and 64 years.

## How is expected human capital calculated?

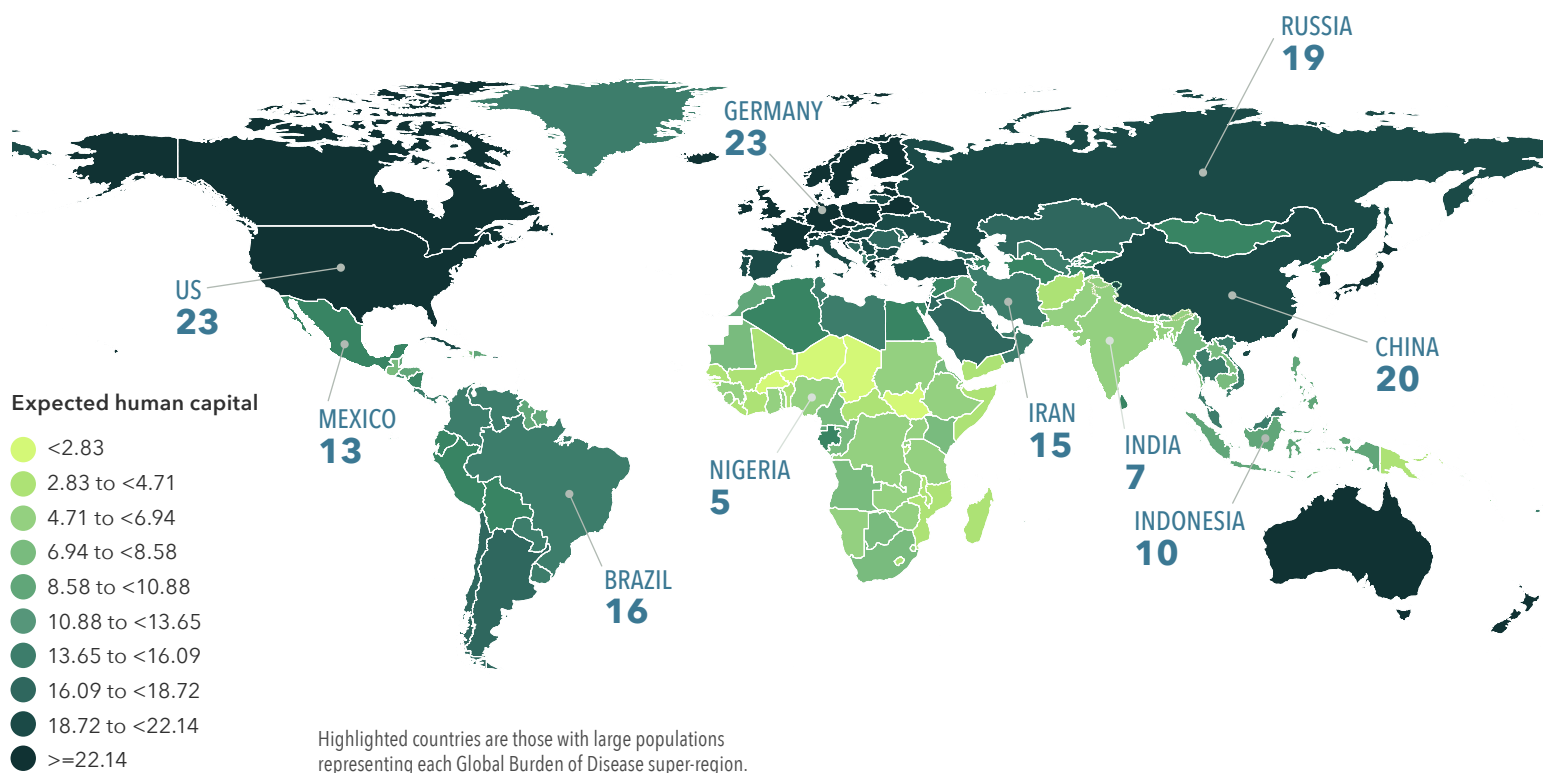
Expected human capital is computed similarly to life expectancy, by applying current age- and sex-specific rates of survival, functional health status, education, and learning to the population born each year.

### EXPECTED HUMAN CAPITAL IS CALCULATED BY COMBINING:



\* Stunting, wasting, anemia, hearing loss, vision loss, cognitive impairment, and infectious disease prevalence (HIV/AIDS, malaria, TB, neglected tropical diseases, diarrhea, and several other common diseases)

## Map of expected human capital by country in 2016



## Expected human capital and change over time for selected countries\*\*

Country	1990 ranking†	2016 ranking†	1990 expected human capital‡	2016 expected human capital‡	1990-2016 change in expected human capital (years)‡	1990-2016 change in expected human capital ranking‡
GERMANY	21	24	20	23	+3	-3
UNITED STATES	6	27	22	23	+1	-21
CHINA	69	44	11	20	+9	+25
RUSSIA	51	49	15	19	+4	+2
BRAZIL	91	71	9	16	+7	+20
IRAN	97	78	9	15	+6	+19
MEXICO	87	104	10	13	+3	-17
INDONESIA	130	131	6	10	+4	-1
INDIA	162	158	3	7	+4	+4
NIGERIA	155	171	3	5	+2	-16

\*\* Countries with large populations representing each Global Burden of Disease super-region

† Lower is better (ranking out of 195 countries and territories)

‡ Higher is better