West Bank and Gaza

Human Capital Index

THE HUMAN CAPITAL INDEX (HCI) AND ITS COMPONENTS

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. It is constructed for 157 countries.

It is made up of five indicators: the probability of survival to age five, a child's expected years of schooling, harmonized test scores as a measure of quality of learning, adult survival rate (fraction of 15-year olds that will survive to age 60), and the proportion of children who are not stunted.

Globally, 56 percent of all children born today will grow up to be, at best, half as productive as they could be; and 92 percent will grow up to be, at best, 75 percent as productive as they could be.

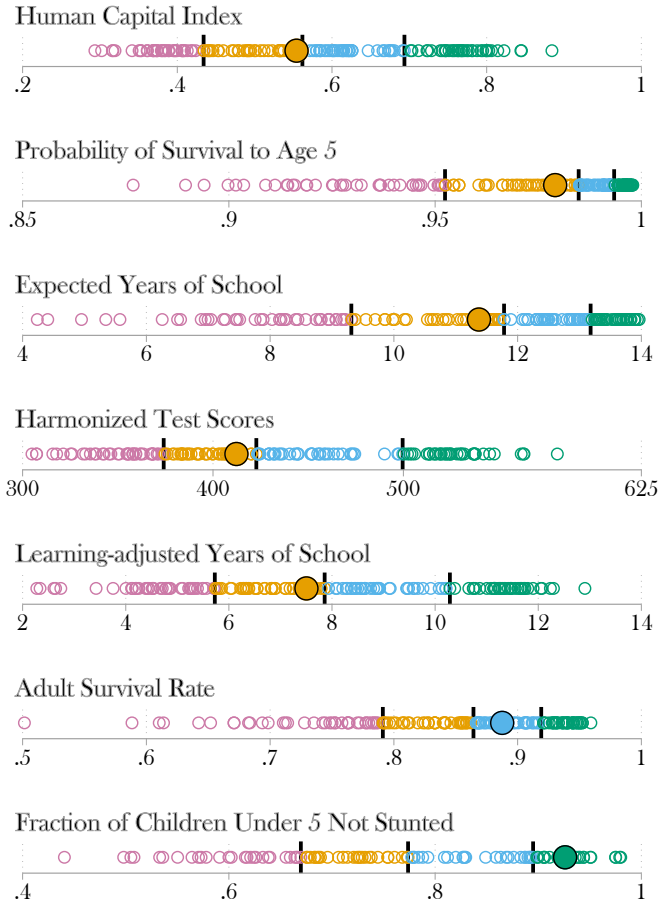
WHAT IS THE STATE OF HUMAN CAPITAL IN THE WEST BANK AND GAZA?

- **Human Capital Index.** A child born in the West Bank and Gaza today will be **55 percent** as productive when she grows up as she could be if she enjoyed complete education and full health.
- **Probability of Survival to Age 5. 98** out of 100 children born in the West Bank and Gaza survive to age 5.
- **Expected Years of School.** In the West Bank and Gaza, a child who starts school at age 4 can expect to complete **11.4 years** of school by her 18th birthday.
- **Harmonized Test Scores.** Students in the West Bank and Gaza score **412** 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 **7.5 years**.
- **Adult Survival Rate.** Across the West Bank and Gaza, **89 percent** of 15-year olds will survive until age 60. This statistic is a proxy for the range of fatal and non-fatal health outcomes that a child born today would experience as an adult under current conditions.
- **Healthy Growth (Not Stunted Rate). 93** out of 100 children are **not** stunted. **7** out of 100 children are stunted, and so at risk of cognitive and physical limitations that can last a lifetime.

ARE THERE GENDER DIFFERENCES IN HCI?

In the West Bank and Gaza, the HCI for girls is higher than for boys. Table 1 shows gender disaggregation for each of the HCI components.

Figure 1. HCI and Components



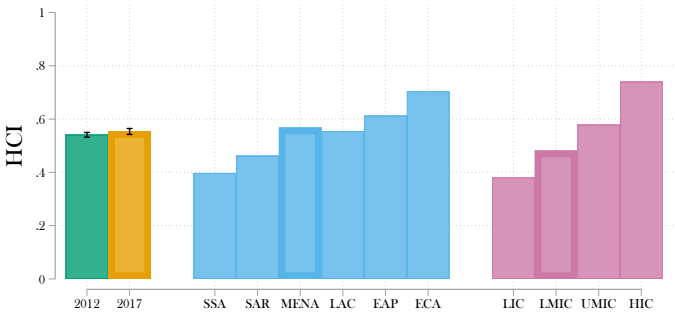
Note:
- Large circle represents West Bank and Gaza
- Small circles represent other countries
- Thick, vertical lines and color of circles reflect quartiles of the distribution

Table 1. HCI by Gender

Component	Boys	Girls	Overall
HCI	0.53	0.58	0.55
Survival to Age 5	0.98	0.98	0.98
Expected Years of School	11.2	11.6	11.4
Harmonized Test Scores	399	424	412
Learning-adjusted Years of School	7.2	7.9	7.5
Adult Survival Rate	0.87	0.91	0.89
Not Stunted Rate	0.92	0.93	0.93

Note:
- When shown, hyphen denotes data are unavailable
- All values are rounded
- The gender-disaggregated HCI is calculated using only adult survival rates if gender-disaggregated stunting data is not available

Figure 2. Benchmarking HCI



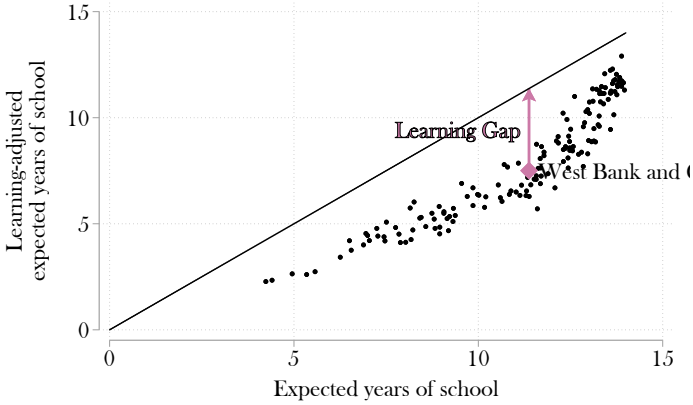
Notes:
- Unless specified all data are for 2017
- The uncertainty intervals (black vertical lines) reflect uncertainty in the measurement of components of the Index

HOW DOES THE WEST BANK AND GAZA COMPARE?

Between 2012 and 2017, the HCI value for the West Bank and Gaza increased from 0.54 to 0.55 (Figure 2).

In 2017, the West Bank and Gaza's HCI is lower than the average for its region but higher than the average for its income group.

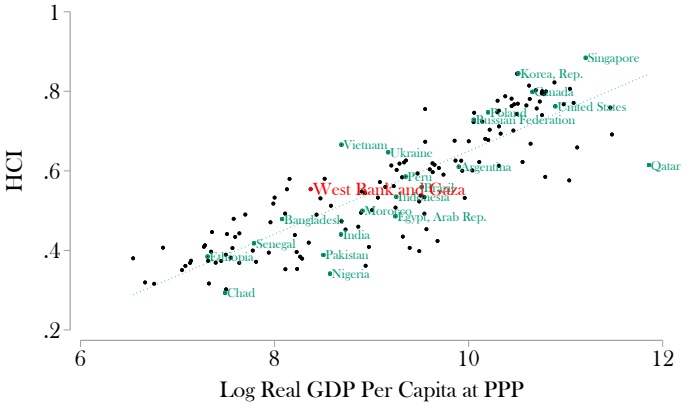
Figure 3. Learning Gap



HOW MUCH ARE CHILDREN ACTUALLY LEARNING IN SCHOOL?

Children in the West Bank and Gaza can expect to complete **11.4 years** of pre-primary, primary and secondary school by age 18. However, when years of schooling are adjusted for quality of learning, this is only equivalent to **7.5 years**: a learning gap of **3.9 years** (Figure 3).

Figure 4. Human Capital Index vs GDP Per Capita



IS THE WEST BANK AND GAZA'S HCI IN LINE WITH WHAT IS EXPECTED FOR ITS INCOME LEVEL?

In 2017, the HCI for the West Bank and Gaza is higher than what would be expected for its income level (Figure 4).

THE HUMAN CAPITAL PROJECT

The Human Capital Project seeks to raise awareness and increase demand for interventions to build human capital. It aims to accelerate better and more investments in people. The Project has three elements (i) the Human Capital Index, (ii) a program to strengthen research and measurement on human capital; and (iii) support to countries to accelerate progress in raising human capital outcomes.

For more information on the Human Capital Project please visit **www.worldbank.org/humancapitalproject**

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