

## New Index Identifies Countries ' Ability to Develop and Nurture Human Capital

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- Switzerland, Finland and Singapore are best at unlocking the economic potential of their people, new Index finds
- World ' s largest economies present mixed picture, with Germany (6) followed by Japan (15), United States (16) and China (43)
- Index aims to help countries make the right decisions on investing in the economic potential of their people
- Download the Human Capital Report covering 122 economies, rankings, [video](#), [infographics](#) and more [here](#)

New York, USA, 1 October 2013 – The World Economic Forum ' s first Human Capital Index has identified the most successful countries in the world when it comes to maximizing the long-term economic potential of their respective labour forces. The Index, which measures countries on their ability to develop and deploy healthy, educated and able workers through four distinct pillars: Education; Health and Wellness; Workforce and Employment; and Enabling Environment, finds Switzerland ranked number one overall, followed by Finland (2) and Singapore (3). Six of the remaining seven countries in the top 10 are in northern Europe, including Germany (6) and the United Kingdom (8).

The Index ' s 122-country ranking, which forms the basis of the Human Capital report, also finds strong performances from countries in North America, Asia and the Middle East. Canada enters the Index in tenth position, while Japan (15) and the United States (16) are solidly established in the top 20. Qatar, at 18, is the strongest performing economy in the Middle East and North Africa.

China (43) is the highest of the BRICS economies, followed by Russia (51), Brazil (57), India (78) and South Africa (86). The highest-ranking countries in Latin America and Sub-Saharan Africa are Costa Rica (35) and Mauritius (47) respectively. Countries at the low end of the rankings include Egypt (111), Pakistan (112), Nigeria (114) and Yemen (122).

In Europe, a clear geographical division has emerged in terms of countries ' ability to exploit their human capital endowments, with those in southern and eastern Europe faring poorly compared with their neighbours to the north and west. Among these, Spain ranks 29, recording high marks in the Health and Wellness pillar (12) but doing less well in terms of Workforce and Employment (70). Nevertheless, it comes ahead of Italy (37), Greece (55) and Serbia (85). France ranks 21, with strong Education and Health and Wellness rankings offset by shortfalls in Workforce and Employment and its Enabling Environment.

In North America, Canada ranks ahead of the United States primarily on account of its excellent rating for Education, where it comes second in the world. The United States ' position (16) is earned by its dynamic workforce and capacity to attract talent, as well as its innovation potential and high levels of university-level education. Weaker factors include relatively high levels of non-communicable diseases (NCDs) during prime working ages and comparatively low levels of mental well-being.

When it comes to Asia while Japan ' s performance is strong across Health and Wellness, the quality of education remains a persistent issue, particularly in management schools. Low levels of integration of the " silver workforce " are also a barrier. After Singapore and Japan, Asia ' s highest ranking countries are Malaysia (22) and Korea (23).

China, at 43, benefits from low unemployment and high business perceptions of skill levels, but is held back by health measures, the quality of its legal framework and low levels of tertiary education in the current workforce. India, at 78, scores well for Workforce and Employment (49) but poorly for Health and Wellness (112).

In the Middle East and North Africa, Qatar, the strongest performer at 18, ranks 26 on Education, 7 on Workforce and Employment and 15 on Enabling Environment. However, it fares less well on Health and Wellness (44), due to high levels of NCDs, obesity and years spent in poor health. UAE (24), Israel (25), Saudi Arabia (39) and Bahrain (40) are next. Tunisia (67), Lebanon (74), Morocco (82) and Egypt (111) occupy some of the lowest positions in the rankings. Yemen is in last place.

Costa Rica (35) and Chile (36) are Latin America ' s leaders, while Barbados (26) leads in the Caribbean. Brazil (57) is held back by a relatively weak performance in Education.

The highest-placed Sub-Saharan African country is Mauritius (47), followed by Botswana (79) and Kenya (81). Nigeria, the most populous nation on the continent, ranks 114. Mali (118), Burkina Faso (119) and Guinea (120) occupy the lowest positions in the region.

The report highlights that a nation ' s human capital endowment – productive skills and capacities – can be a more important determinant of long-term economic success than virtually any other resource. “ The key for the future of any country and any institution lies in the skills and talent of its people, ” said Klaus Schwab, Founder and Executive Chairman of the World Economic Forum. “ In the future, human capital will be the most important kind of capital. Investing in people is not just a nice to have; it is imperative for growth, prosperity and progress. ”

Saadia Zahidi, Senior Director, Head of the Human Capital project at the World Economic Forum, said:

“ Some countries face an aged or ageing population, others face youth bulges, a few even face both. For some, this means confronting a major upcoming talent crunch, while for others it means developing mechanisms that allow it to realize their population ' s potential rather than letting it develop into a burden. In this light, the Human Capital Index is a tool for understanding where countries stand today so that government and business can engage in workforce planning for the future. ”

#### Notes to Editors

The World Economic Forum ' s Human Capital Index assesses 122 countries, representing over 90% of the world ' s population, by measuring contributors and inhibitors to the development and deployment of a healthy, educated and able labour force. The Index consists of four pillars:

- The Education pillar captures access, quality and attainment aspects of education across primary, secondary and tertiary levels, across age cohorts.
- The Health and Wellness pillar assesses a population ' s physical and mental well-being, from childhood to adulthood.
- The Workforce and Employment pillar aims to quantify the experience, talent, training and skills mismatches in a country ' s working-age population.
- The Enabling Environment pillar captures the legal framework, infrastructure and other factors that enable returns on human capital.

The Index is composed of 51 variables. Index scores, reported as Z-scores, can be interpreted as distance from the mean of all countries in the sample. A large positive number entails strong performance; a large negative number entails weak performance; and a number close to zero, positive or negative, entails average performance. About half of the variables originate from publicly available hard data from international organizations such as the International Labour Organization, UNESCO, the United Nations Development Programme and the World Health Organization, while the other half are from the Forum ' s annual Executive Opinion Survey and other survey sources.

The report is the result of collaboration between teams at the World Economic Forum, Mercer Consulting and Harvard University and consultation with a wide set of constituents from academia, business, government and civil society.

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