

UKRAINE'S PLACE IN THE RANKING OF THE GLOBAL HUMAN CAPITAL

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The world is endowed with a vast wealth of human talent. The ingenuity and creativity at our collective disposal provides us with the means not only to address the great challenges of our time but also, critically, to build a future that is more inclusive and human centric. All too often however, human potential is not realized, held back either by inequality or an unrealistic and outdated faith on the part of policymakers that investment in small sub sections of highly skilled labour alone can drive sustainable, inclusive growth.

The World Economic Forum annually ranks countries according to the level of human capital development. It was established in 1971 as a not-for-profit foundation and is headquartered in Geneva, Switzerland. It is independent, impartial and not tied to any special interests. The Forum engages the foremost political, business and other leaders of society to shape global, regional and industry agendas.

How nations develop their human capital can be a more important determinant of their long-term success than virtually any other factor. By “human capital” we mean the knowledge and skills people possess that enable them to create value in the global economic system. Human capital is not defined solely through formal education and skilling. It can be enhanced over time, growing through use — and depreciating through lack of use — across people’s lifetimes. The Global Human Capital Index featured in this Report thus treats human capital as a dynamic rather than fixed concept. The Global Human Capital Index 2017 ranks 130 countries on how well they are developing their human capital on a scale from 0 (worst) to 100 (best) across four thematic dimensions — capacity, deployment, development and know-how — and five distinct age groups or generations — 0–14 years; 15–24 years; 25–54 years; 55–64 years; and 65 years and over — to capture the full human capital potential profile of a country. It can be used as a tool to assess progress within countries and points to opportunities for cross-country learning and exchange. The Capacity subindex quantifies the existing stock of education across generations; the Deployment subindex covers skills application and accumulation of skills through work; the Development subindex reflects current efforts to educate, skill and upskill the student body and the working age population; and the Know-how subindex captures the breadth and depth of specialized skills use at work.

The methodology behind the rankings is intended to serve as a basis for time-series analysis that allows countries to track progress, relative to their own performance as well as that of others. This focus has been chosen specifically so

that the Index quantifies key concepts and provides a practical tool to policy-makers and business leaders.

Ukraine's key indicators

Total population (1,000s)	44,439
GDP per capita (US\$, PPP)	7,668
Mean years of education (years)	11.9
Median age of population (years)	40.3
Healthy life expectancy (years)	64.1
Working age population (1,000s)	30,488
Labour force participation rate (%)	62.4
Unemployment rate (%)	9.1
Youth not in employment, education or training rate (%)	17.6
Output per worker (US\$, PPP)	15,567
Mean monthly earnings (US\$, PPP)	-
Mean monthly earnings for high-skilled workers (US\$, PPP)	-
Mean monthly earnings for medium-skilled workers (US\$, PPP)	-
Mean monthly earnings for low-skilled workers (US\$, PPP)	-
Public spending on education (% of GDP)	5.9
Public spending on social security, working age (% of GDP)	2.4
Public spending on social security, retired (% of GDP)	7.9
Pension scheme coverage share (% of working age pop)	43.4

[Source: 2]

The Report's key findings are: On average, the world has developed only 62% of its human capital as measured by this Index. Or, conversely, nations are neglecting or wasting, on average, 38% of their talent. Across the Index, there are only 25 nations that have tapped 70% of their people's human capital or more. In addition, 50 countries score between 60% and 70%. A further 41 countries score between 50% and 60%, while 14 countries remain below 50%, meaning these nations are currently leveraging less than half of their human capital.

Ukraine ranks 24th out of 130 countries, with a score of 71.27.

Ukraine belongs to the Eastern Europe and Central Asia region, which consists of 21 countries. With an average score of 67.36, the region ranks in third place globally, after North America and Western Europe. Ukraine is among the countries with an indicator which score above the 70% threshold. Ukraine's performance is particularly high relative to its GDP per capita levels.

At a regional level, the human capital development gap is smallest in North America and Western Europe, and largest in South Asia and Sub-Saharan Africa. However, there are a wide variety of overall human capital outcomes within each region and across different aspects of human capital globally. The Global Human Capital Index shows that all countries can do more to nurture and fully develop their human capital. Across the Index, there are only 25 nations that have tapped 70% of their people's human capital or more. In addition to these 25 countries, 50 countries score between 60% and 70%. A further 41 countries score between 50% and 60%, while 14 countries remain below 50%, meaning these nations are currently leveraging less than half of their human capital.

References

1. The Human Capital Report 2017 / available at: http://www3.weforum.org/docs/WEF_Global_Human_Capital_Report_2017.pdf
2. Country Profiles are available in the online Data Explorer: <http://reports.weforum.org/global-human-capital-report-2017/dataexplorer/>