

# Peru

## Human Capital Index 2020

This brief provides an update to the Human Capital Index (HCI). First launched in 2018, 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. Worldwide a child born in 2020 can expect, on average, to be 56 percent as productive as she could be when she grows up. All data represent the status of countries pre-COVID-19.

### THE HUMAN CAPITAL INDEX

**Human Capital Index.** A child born in Peru today will be **61 percent** as productive when she grows up as she could be if she enjoyed complete education and full health. This is higher than the average for Latin America & Caribbean region and Upper middle income countries. Between 2010 and 2020, the HCI value for Peru increased from 0.55 to 0.61. Figure 1 shows how the HCI and each of the components evolved over time.

- **Probability of Survival to Age 5.** 99 out of 100 children born in Peru survive to age 5.
- **Expected Years of School.** In Peru, a child who starts school at age 4 can expect to complete **13 years** of school by her 18th birthday.
- **Harmonized Test Scores.** Students in Peru score **415** 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 **8.6 years**.
- **Adult Survival Rate.** Across Peru, **89 percent** of 15-year olds will survive until age 60. This statistic is a proxy for the range of health risks that a child born today would experience as an adult under current conditions.
- **Healthy Growth (Not Stunted Rate).** **88** out of 100 children are **not** stunted. **12** out of 100 children are stunted, and so are at risk of cognitive and physical limitations that can last a lifetime.

### DIFFERENCES IN HCI ACROSS GENDER AND SOCIO-ECONOMIC GROUPS

In Peru, the HCI for girls is lower than for boys. Table 1 shows gender disaggregation for each of the HCI components.

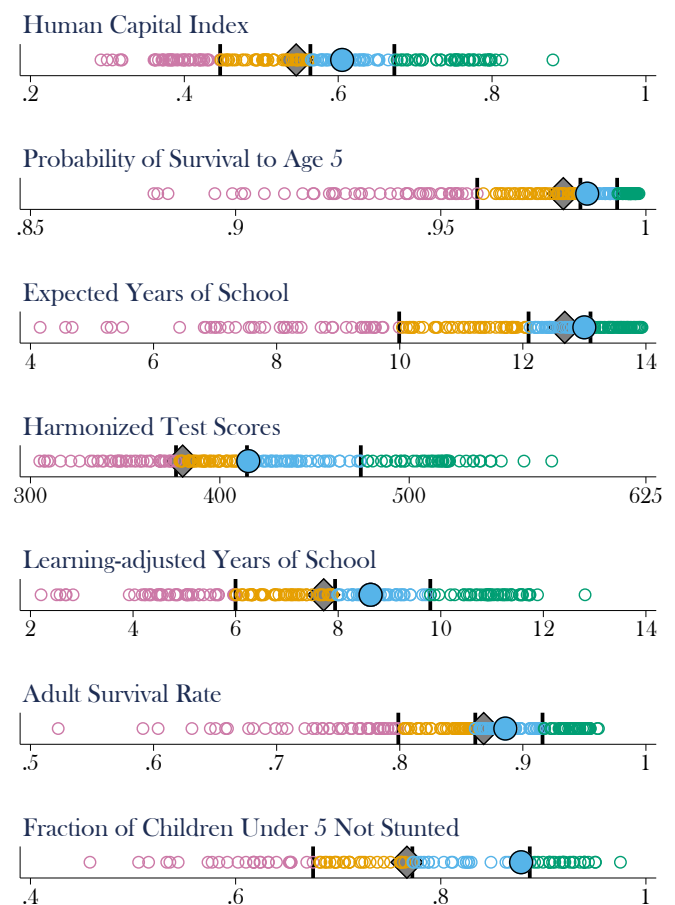
The ratio in HCI between the richest and poorest 20 percent of the population in Peru is **1.41** (global average: 1.35; global range: 1.12-1.68).

**Table 1. HCI by Gender and Socio-economic Group**

Component	Boys	Girls	Overall
HCI	0.61	0.60	0.61
Survival to Age 5	0.98	0.99	0.99
Expected Years of School	13.1	12.9	13.0
Harmonized Test Scores	418	412	415
Learning-adjusted Years of School	8.8	8.5	8.6
Adult Survival Rate	0.86	0.92	0.89
Not Stunted Rate	0.88	0.88	0.88
HCI Ratio (richest / poorest 20 percent)			1.41

For more on socioeconomic disaggregated HCI, please visit <https://www.worldbank.org/en/publication/human-capital/brief/insights-from-disaggregating-the-human-capital-index>

**Figure 1. HCI and Components**



Note:

- Large circle represents Peru in 2020
- Diamond represents Peru in 2010
- Small circles represent other countries
- Lines and color of circles indicate quartiles of the distribution

Countries in Latin America and the Caribbean have improved their human capital outcomes, but large socioeconomic, gender and geographic inequalities still hinder inclusive development. To ensure continued progress and overcome the challenges unleashed by COVID-19, countries need to build strong and resilient public health systems, move toward universal social protection, boost learning achievement especially in early childhood, and improve employability, productivity and working conditions.

### DOMESTIC RESOURCE UTILIZATION AND MOBILIZATION

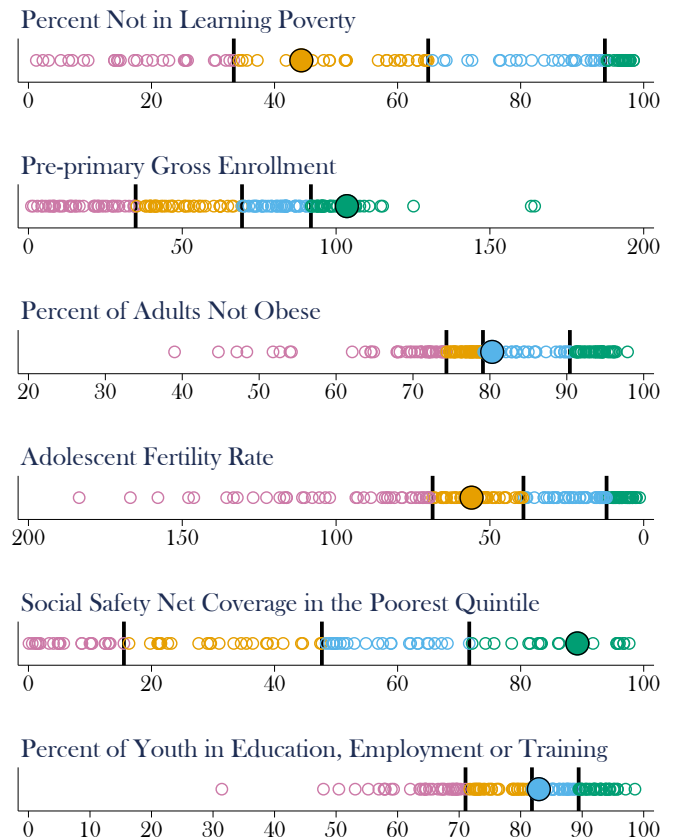
- **Health Spending.** Peru spends **3.2 percent** (2017) of its GDP in public spending on health. This is lower than both the regional average (3.8%) and the average for its income group (4%). **9 percent** (2018) of the population incurs catastrophic health expenditure measured as out-of-pocket spending exceeding 10% of household consumption or income.
- **Education Spending.** Peru spends **3.7 percent** (2018) of its GDP in government education spending. This is lower than both the regional average (4.8%) and the average for its income group (4.7%).
- **Social Assistance Spending.** Peru spends **1.1 percent** (2018) of its GDP on social assistance. This is lower than both the regional average (1.4%) and the average for its income group (1.5%).
- **Government Revenue.** General government revenue in Peru is **19.4 percent** (2018) of GDP. This is lower than both the regional average (24.7%) and the average for its income group (30.6%).

### COMPLEMENTARY INDICATORS

- **Learning Poverty.** In Peru, **56 percent** (2013) of 10-year-olds cannot read and understand a simple text by the end of primary school. This is higher than both the average for its region (55%) and the average for its income group (38%).
- **Pre-primary Gross Enrollment.** In Peru, the gross enrollment ratio in pre-primary education is **104 percent** (2018). This is higher than both the average for its region (76%) and the average for its income group (63%).
- **NCD Deaths.** In Peru, the probability of dying between ages 30 and 70 from cardiovascular disease, cancer, diabetes, or chronic respiratory diseases is **13 percent** (2016). This is lower than both the average for its region (18%) and the average for its income group (20%).
- **Obesity.** In Peru, **20 percent** (2016) of adults age 18 and older are obese. This is lower than both the average for its region (24%) and the average for its income group (24%).
- **Adolescent Fertility Rate.** In Peru, there are **56 births** (2018) per 1,000 women ages 15-19. This is similar to the average for its region (56) but higher than the average for its income group (45).
- **Social Safety Net Coverage.** In Peru, **89 percent** (2017) of the poorest quintile is covered by social safety nets. This is higher than both the average for its region (68%) and the average for its income group (57%).
- **Share of Youth Not in Education, Employment or Training (NEET).** In Peru, **17 percent** (2019) of young people are not in education, employment, or training. This is lower than both the average for its region (21%) and the average for its income group (24%).
- **Drinking Water.** In Peru, **91 percent** (2017) of the population has at least a basic source of drinking water. This is lower than both the average for its region (95%) and the average for its income group (95%).

- **Internet Connectivity.** In Peru, **60 percent** (2019) of the population uses the internet. This is lower than the average for its region (62%) but similar to the average for its income group (60%).

Figure 2. Complementary Indicators



Note:

- Large circle represents Peru
- Small circles represent other countries
- Lines and color of circles indicate quartiles of the distribution

This brief is based on the most recent data available from the Human Capital Project, World Development Indicators, Atlas of Social Protection Indicators of Resilience and Equity (ASPIRE), UNESCO Institute for Statistics, WHO Global Health Observatory and Global Health Expenditure Database, IMF World Economic Outlook, selected national sources and World Bank staff estimates.

For more information on the definition of indicators and data sources, please visit: [www.worldbank.org/humancapital](http://www.worldbank.org/humancapital)