

Palau

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 Palau today will be **59 percent** as productive when she grows up as she could be if she enjoyed complete education and full health. This is slightly lower than the average for East Asia & Pacific region and lower than the average for High income countries.

- **Probability of Survival to Age 5.** 98 out of 100 children born in Palau survive to age 5.
- **Expected Years of School.** In Palau, a child who starts school at age 4 can expect to complete **11.7 years** of school by her 18th birthday.
- **Harmonized Test Scores.** Students in Palau score **463** 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 **8.7 years**.
- **Adult Survival Rate.** Across Palau, **87 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).** Data on stunting are not available for Palau.

DIFFERENCES IN HCI ACROSS GENDER AND SOCIO-ECONOMIC GROUPS

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

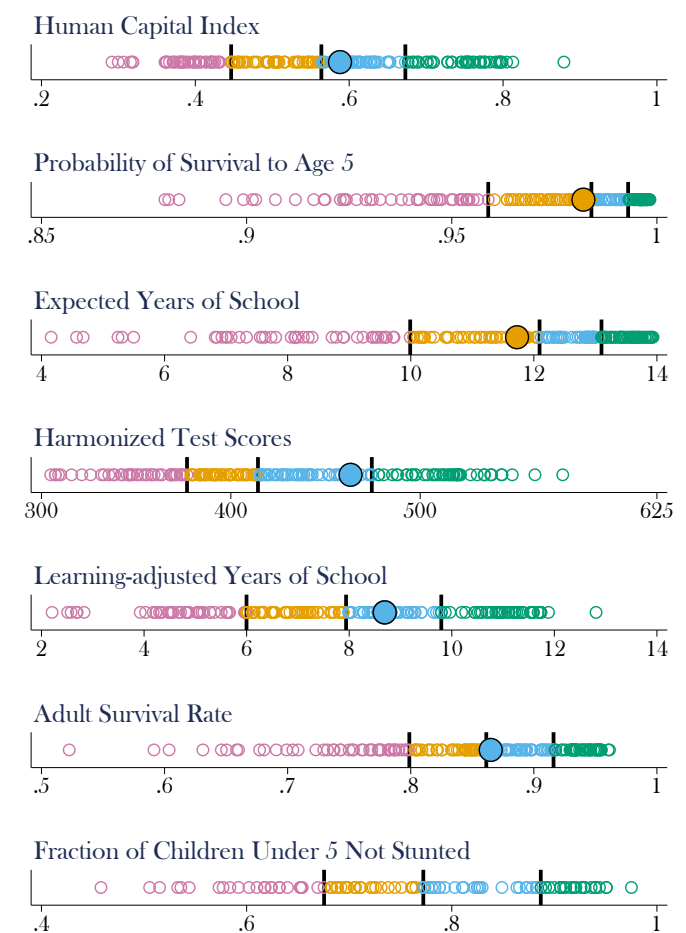
In Palau, there are not sufficient data to disaggregate HCI by socio-economic groups.

Table 1. HCI by Gender and Socio-economic Group

Component	Boys	Girls	Overall
HCI	0.56	0.62	0.59
Survival to Age 5	0.98	0.98	0.98
Expected Years of School	11.7	11.8	11.7
Harmonized Test Scores	448	478	463
Learning-adjusted Years of School	8.4	9.0	8.7
Adult Survival Rate	0.84	0.89	0.87
Not Stunted Rate	-	-	-
HCI Ratio (richest / poorest 20 percent)	-	-	-

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 Palau
- Small circles represent other countries
- Lines and color of circles indicate quartiles of the distribution

Countries in the East Asia and Pacific (EAP) region have made remarkable progress on almost every dimension of human capital in the last decade (2010-2020). COVID-19, however, threatens to wipe out much of the progress. Action is needed to boost learning achievement; reinvigorate the health, nutrition, and education systems; and deploy social safety nets to protect the most vulnerable, thus enabling an inclusive and sustainable recovery and accelerating human capital accumulation.

DOMESTIC RESOURCE UTILIZATION AND MOBILIZATION

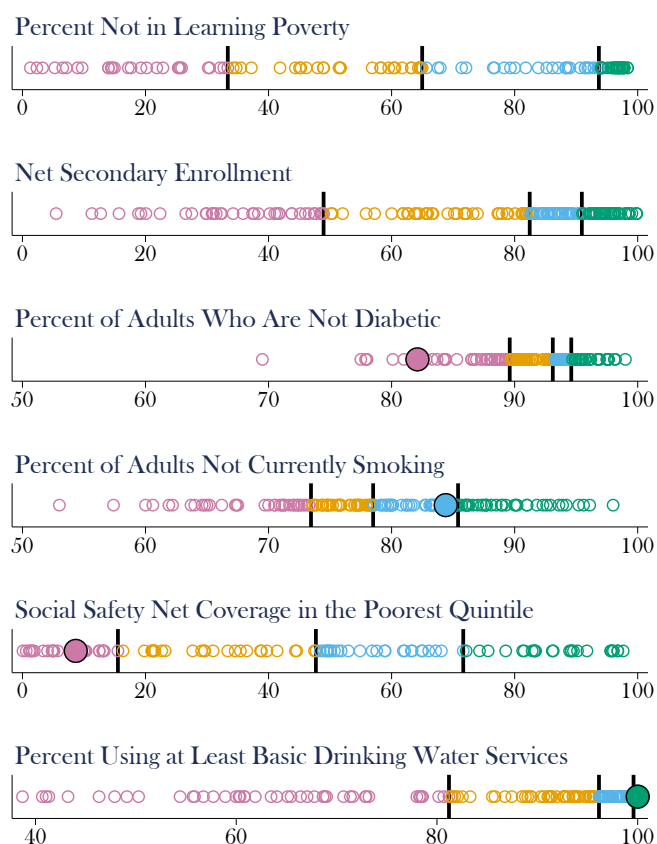
- **Health Spending.** Palau spends **7.7 percent** (2017) of its GDP in public spending on health. This is higher than both the regional average (4.9%) and the average for its income group (5.3%).
- **Education Spending.** In Palau, data on government education spending are not available. The average for its region is 4.7 percent and for its income group is 4.5 percent.
- **Social Assistance Spending.** In Palau, data on social assistance spending are not available. The average for its region is 1.1 percent and for its income group is 1.7 percent.
- **Government Revenue.** General government revenue in Palau is **44.7 percent** (2018) of GDP. This is higher than both the regional average (40.7%) and the average for its income group (37.3%).

COMPLEMENTARY INDICATORS

- **Learning Poverty.** In Palau, data on learning poverty are not available. In its region, 15 percent of 10-year-olds cannot read and understand a simple text by the end of primary school. The corresponding value for its income group is 14 percent.
- **Net Secondary Enrollment.** In Palau, data on secondary net enrolment rate are not available. In its region 72 percent of secondary-school age children are enrolled in secondary school. The corresponding value for its income group is 89 percent.
- **NCD Deaths.** In Palau, data on the probability of dying between ages 30 and 70 from cardiovascular disease, cancer, diabetes, or chronic respiratory diseases are not available. The average for its region is 21 percent and for its income group is 14 percent.
- **Diabetes.** In Palau, **18 percent** (2019) of the population ages 20-79 has type 1 or type 2 diabetes. This is higher than both the average for its region (12%) and the average for its income group (9%).
- **Smoking.** In Palau, **16 percent** (2016) of the population age 15 and older are current smokers (**23 percent** among men). This is lower than both the average for its region (25%) and the average for its income group (22%).
- **Universal Health Coverage (UHC) Index.** In Palau, data on UHC Index are not available. In its region, 65 is the UHC Index score, and in its income group, 79 is the UHC Index score.
- **Social Safety Net Coverage.** In Palau, **9 percent** (2006) of the poorest quintile is covered by social safety nets. This is lower than both the average for its region (45%) and the average for its income group (70%).
- **Social Safety Net Adequacy.** In Palau, social assistance transfers represent **8 percent** (2006) of total welfare of households in the poorest quintile. This is lower than both the average for its region (9%) and the average for its income group (22%).
- **Human Capital Utilization.** In Palau, **69 percent** (2014) of the working-age population is employed. This is higher than the average for its region (65%) but lower than the average for its income group (70%).
- **Female Labor Force Participation.** In Palau, data on the female labor force participation rate are not available. The average for its region is 57 percent and for its income group is 53 percent.

- **Drinking Water.** In Palau, **100 percent** (2017) of the population has at least a basic source of drinking water. This is higher than both the average for its region (92%) and the average for its income group (99%).

Figure 2. Complementary Indicators



Note:

- Large circle represents Palau
- 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