THE RELATIONSHIP OF THE HUMAN CAPITAL INDEX WITH THE LEVEL OF EDUCATION AND THE ADULT SURVIVAL RATE

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Introduction

This research uses the World Bank data to study the relation between the variables Human Capital Index (HCI), Education Level and Adult survival rate, due to their impact and interconnection with socio-economic development.

☞ **Human Capital Index** calculates the contributions of health and education to worker productivity (measures the productivity as a future worker of a person born in the year in question in relation to the full health and complete education).

☞ **Adult Survival Rate** calculated by subtracting the mortality rate for 5-60 year-olds from 1.

☞ **Expected Years of School** calculated as the sum of age-specific enrollment rates between age 4 and 17.

Methodology

Aims: **To relate the human capital index with the adult survival rate and the number of expected years of school**

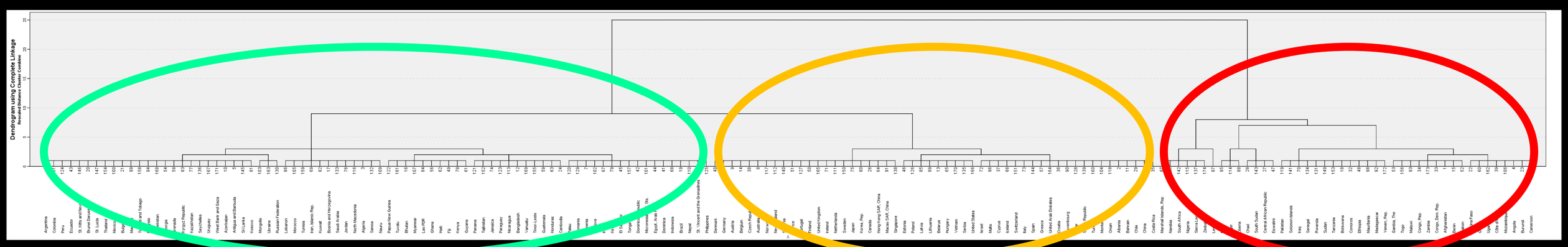
Data: 174 countries
Updated to September 2020
Retrieved from The World Bank database

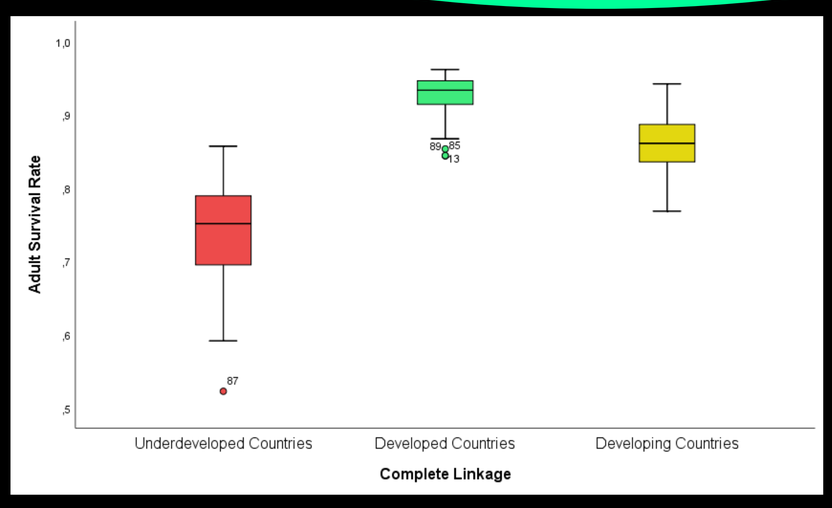
Software: IBM SPSS v26

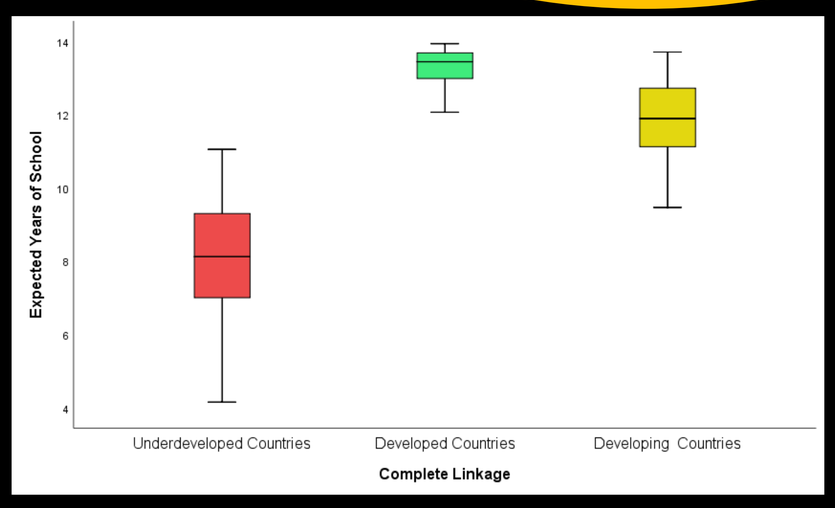
Methods: **Cluster analysis**: Hierarchical method
Variables: z-score standardization
Proximity measure: Quadratic euclidean distance
Agglomerative method: Furthest neighbour method / Complete linkage
Criteria: Choose the dendrogram that better distinguishes formed clusters

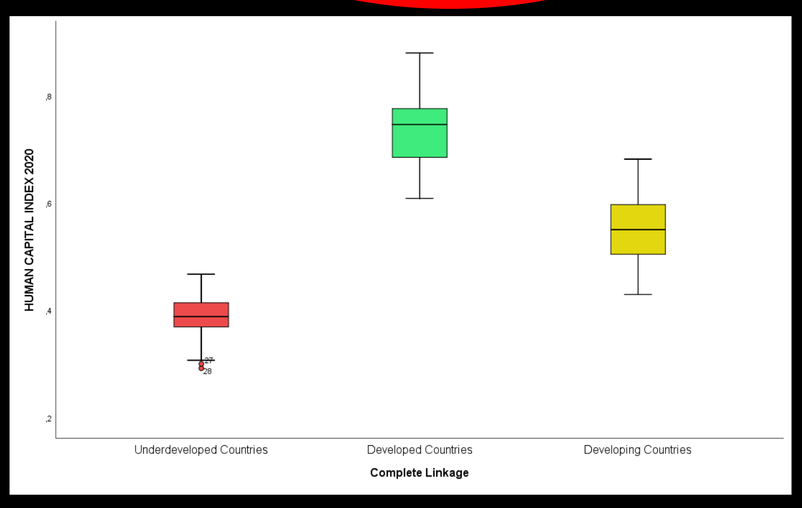
Results

The results show the socioeconomic dichotomies present in the world in 2020, where the division and mismatch in education and adult survival in the various regions are clearly perceptible. This dendrogram displays the groups formed relatively to their similarity levels, measured along the y-axis, with the different observations (countries) listed along the x-axis.



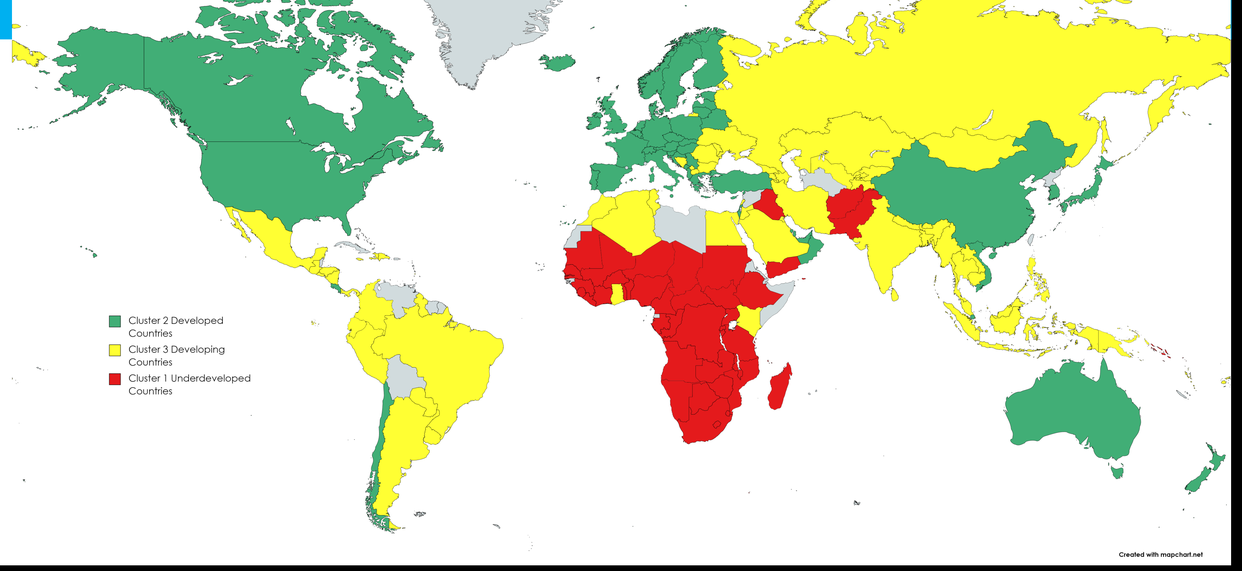






Conclusions

Cluster	Countries	Adult survival rate	Years on the education system	Human Capital Index
1	27 underdeveloped countries	Low	Few	Low
2	101 developed countries	High	More	High
3	46 developing countries	Medium	Moderate	Medium



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