



# NEPAL

Region: South Asia

Income Category: Lower Middle Income



**Human capital – knowledge, skills, and good health – empowers people to achieve their potential and drives economic growth.** This brief tracks progress by Nepal in building and using human capital. This page presents the Human Capital Index (HCI), its components parts, and relevant benchmarks. The HCI quantifies how underinvestment in education and health for today’s children reduces future incomes. Data are the most recently available as of 2020. The back page presents a set of Human Capital Complementary Indicators (HCCI) that shows progress at each stage of the lifecycle.

## THE HUMAN CAPITAL INDEX

A child born in Nepal will be **50%** 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 the South Asia region (48%) and Lower Middle Income countries (48%).

## THE HUMAN CAPITAL INDEX COMPONENTS

- **Probability of Survival to Age 5.** Of every 100 children born in Nepal, **97** survive to age 5.
- **Expected Years of School.** In Nepal, a child who starts school at age 4 can expect to complete **12.3** years of school by her 18th birthday.
- **Learning-Adjusted Years of School.** Factoring in what children actually learn, expected years of school is **7.2** years.
- **Average Harmonized Test Scores.** Students in Nepal score **369** on a scale where 625 represents advanced attainment and 300 represents minimum attainment.
- **Adult Survival Rate.** Across Nepal, **86%** of 15-year-olds survive until age 60.
- **Fraction of Children Under 5 Not Stunted.** Approximately **64** out of 100 children are not stunted. This means that **36** out of 100 children are at risk of cognitive and physical limitations that can last a lifetime.

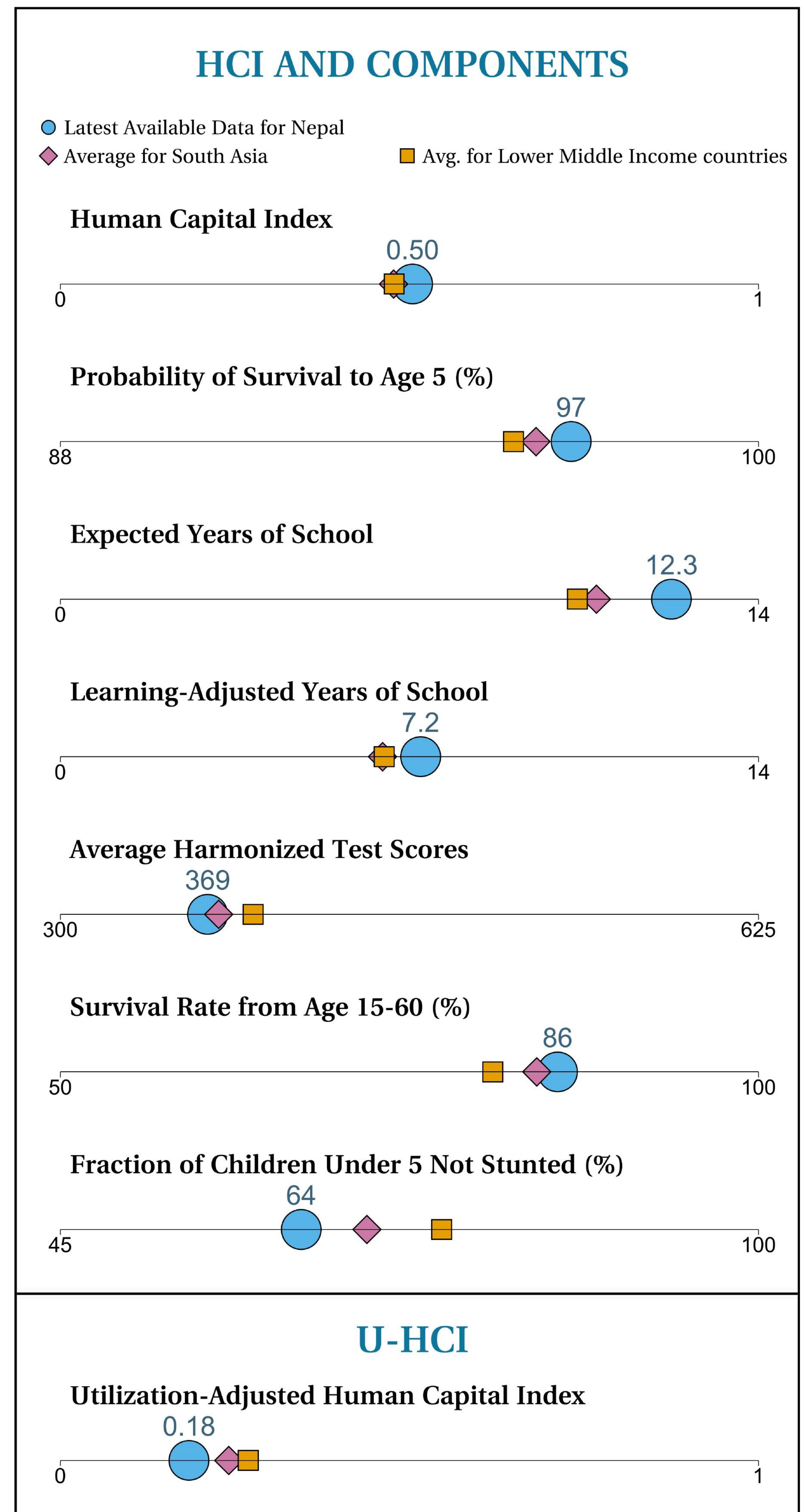
## UTILIZATION-ADJUSTED HUMAN CAPITAL INDEX

The Utilization-adjusted Human Capital Index (U-HCI) scales down the HCI by taking into account how many adults are not employed. The U-HCI for Nepal is **0.18**. Thus, children born today will be 18% as productive in adulthood as they could have been if they had access to full health and education, and they became fully employed adults. Data are not available for producing gender disaggregated HCIs and U-HCIs.

### Gender differences in Human Capital and Utilization

	Boys	Girls	Overall
Human Capital Index	-	-	0.50
Utilization-Adjusted HCI	-	-	0.18

Note: - represents no internationally comparable data available.



Note: Missing symbols indicate internationally comparable data are not available to generate the corresponding statistic.





The Human Capital Complementary Indicators (HCCIs) offer a snapshot of human capital investments at four stages of the lifecycle. The figures show the latest available data, benchmarked against regional averages. The figures also report progress over the previous 5 years.

## EARLY CHILDHOOD

- **Neonatal mortality rate.** The neonatal mortality rate is **16** per 1,000 live births (2021), compared to 20 in 2016. The indicator is lower than the regional average.
- **Children who are developmentally on track.** In 2019, **65%** of children (ages 24-59 months) were developmentally on track in health, learning and psychosocial well-being. The indicator is below the regional average.
- **Minimum meal frequency.** The share of children ages 0-23 months who regularly consume an age-appropriate meal is **69%** (2019), compared to 71% in 2016. The indicator is higher than the regional average.

## SCHOOL AGE

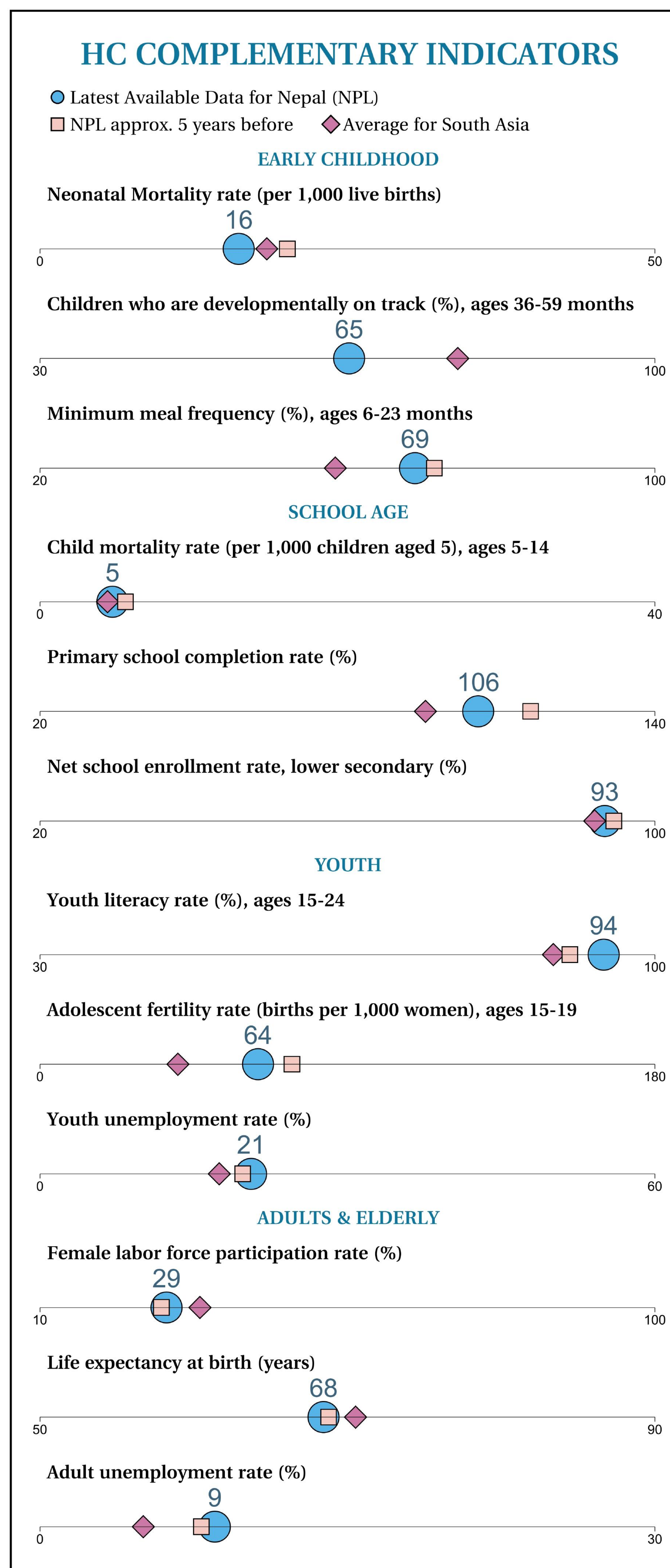
- **Child mortality rate.** The mortality rate for children ages 5-14 is **5** per 1,000 children aged 5 (2021), compared to 6 in 2016. The indicator is higher than the regional average.
- **Primary school completion rate.** The primary school completion rate at the official entrance age of the last grade of that level is **106%** (2022), compared to 116% in 2017. The indicator is above the regional average.
- **Net school enrollment rate, lower secondary.** The percentage of lower secondary school-aged children enrolled at that level is **93%** (2022), compared to 95% in 2017. The indicator is higher than the regional average.

## YOUTH

- **Youth literacy rate.** The share of youth (ages 15-24) who are literate is **94%** (2021), compared to 90% in 2016. The indicator is higher than the regional average.
- **Adolescent fertility rate.** The number of births for every 1,000 women ages 15-19 is **64** (2021), compared to 74 in 2016. The indicator is above the regional average.
- **Youth unemployment rate.** Unemployed youth as a share of the youth labor force (ages 15-24) is **21%** (2022), compared to 20% in 2017. The indicator is higher than the regional average.

## ADULTS & ELDERLY

- **Female labor force participation rate.** Female labor force participation as a percentage of the female working-age population (ages 25+) is **29%** (2022), compared to 28% in 2017. The indicator is lower than the regional average.
- **Life expectancy at birth.** Life expectancy at birth is **68** years (2021), compared to 69 in 2016. The indicator is below the regional average.
- **Adult unemployment rate.** Unemployed adults as a share of the adult labor force (ages +25) is **9%** (2022), compared to 8% in 2017. The indicator is higher than the regional average.



Note: Missing symbols indicate internationally comparable data are not available to generate the corresponding statistic.

