



TALENT • HEALTH • RETIREMENT • INVESTMENTS

HUMAN CAPITAL INDEX 2013

17 DECEMBER 2013

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Marsh & McLennan Companies

What We Do

We offer clients advice and solutions in the areas of risk, strategy, and human capital.

- 140-year history
- Serve 75% of Fortune 1000 companies
- Growing presence in middle market and emerging economies
- 53,000 colleagues
- Global footprint – serving clients in more than 100 countries

Risk and Insurance Services



global leader in insurance broking
and risk management



global leader in risk and reinsurance
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MERCER

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global consulting leader in talent, health,
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global leader in management consulting

Mercer What We Do

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- \$3.9 billion in revenue
- 65-year history
- Four business segments
- Offices in more than 40 countries
- 20,000+ colleagues

Business Segments

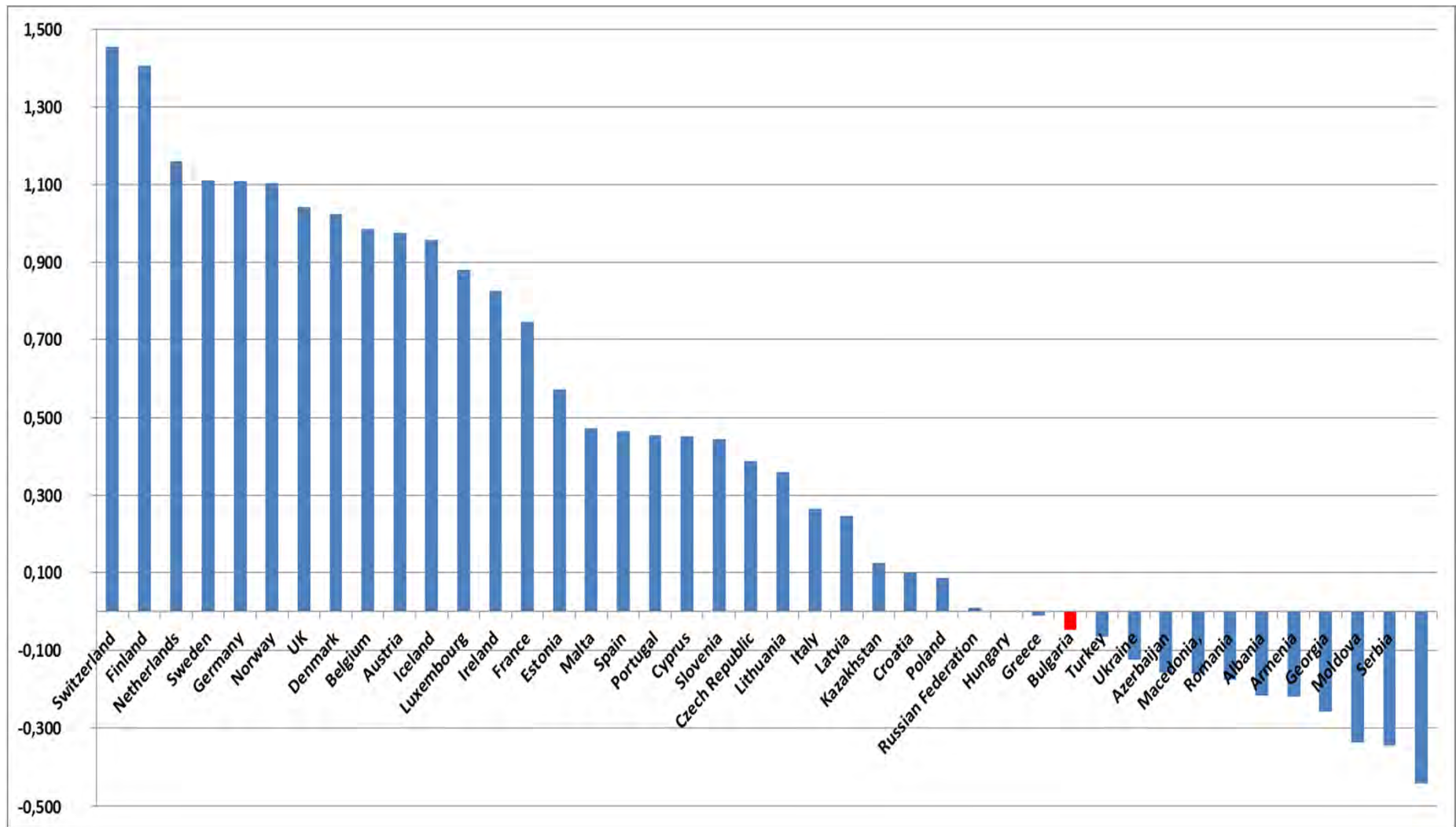




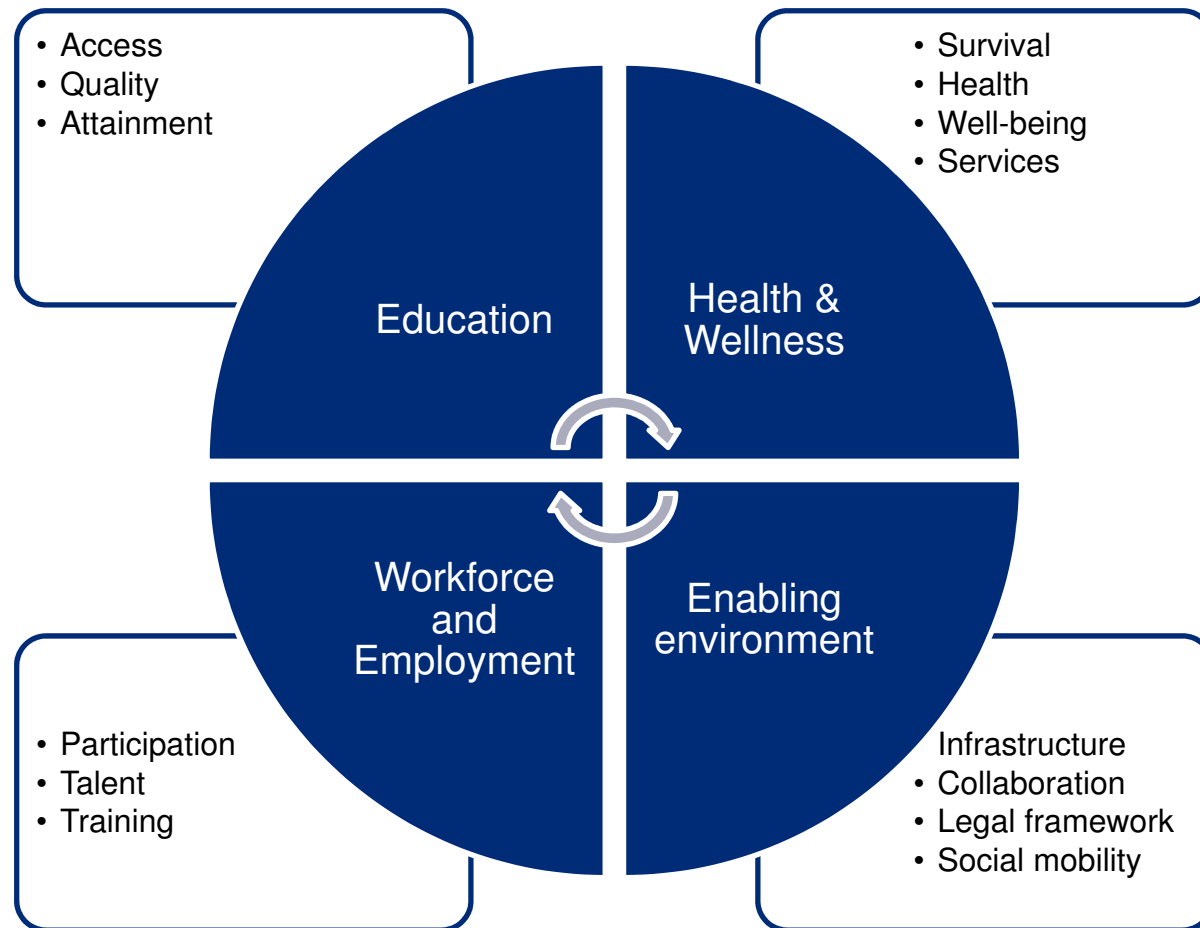
NEW INDEX IDENTIFIES COUNTRIES' ABILITIES TO DEVELOP HUMAN CAPITAL

Individual employers are not the only ones concerned about workforce quality. Governments also have a vested interest in ensuring that qualified talent is available to fill jobs and drive economic growth. The new Human Capital Index from The World Economic Forum, developed in collaboration with Mercer, shows which of 122 countries—representing more than 90% of the world's population—are setting the standard for workforces that are best positioned to contribute to economic success. The Index takes into consideration 51 factors in four categories: education, health and wellness, workforce and employment, and critical enablers such as countries' infrastructure and legal environments.

WEF on HCI



Measuring Human Capital



Rankings

EUROPEAN COUNTRIES DOMINATE THE RANKINGS



Eight of the 10 countries rated highest on the Human Capital Index are in Western and Northern Europe. The overall ranking reflects all four pillars: education, health and wellness, workforce and employment, and enabling environments. Other countries in the top 10 are Singapore (ranked 3) and Canada (10).

HUMAN CAPITAL INDEX OVERALL RANKINGS



Big Economies



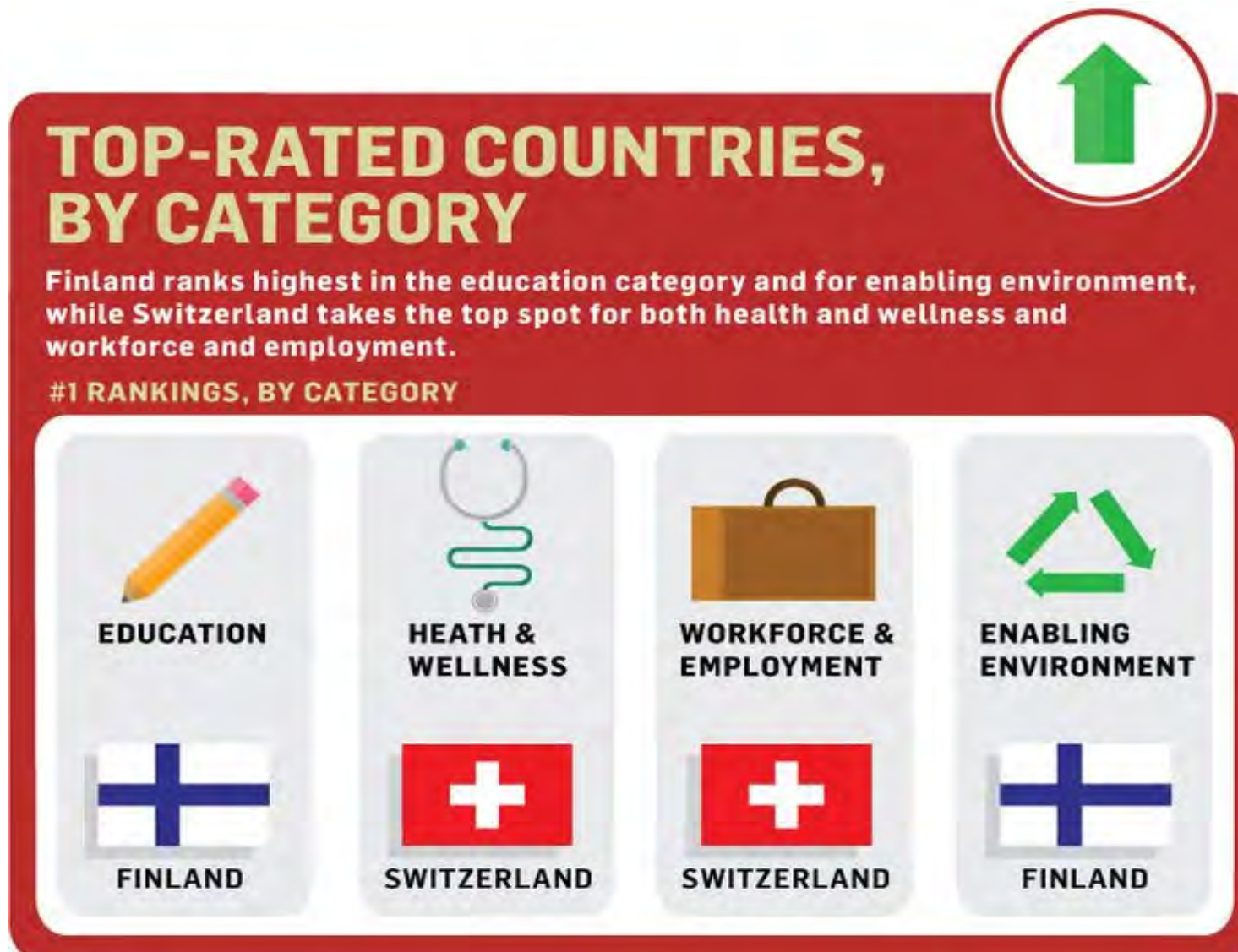
Ratings by Region



Rankings by income group

Low income			Lower-middle income			Upper-middle income			High income		
Rank	Country	Score	Rank	Country	Score	Rank	Country	Score	Rank	Country	Score
81	Kenya	-0.306	50	Sri Lanka	0.020	22	Malaysia	0.644	1	Switzerland	1.455
92	Kyrgyz Republic	-0.440	53	Indonesia	0.001	35	Costa Rica	0.320	2	Finland	1.406
96	Cambodia	-0.505	63	Ukraine	-0.124	42	Panama	0.207	3	Singapore	1.232
103	Malawi	-0.629	66	Philippines	-0.161	43	China	0.186	4	Netherlands	1.161
104	Tanzania	-0.680	70	Vietnam	-0.202	44	Thailand	0.158	5	Sweden	1.111
105	Madagascar	-0.725	73	Armenia	-0.218	45	Kazakhstan	0.124	6	Germany	1.109
106	Uganda	-0.727	77	Georgia	-0.258	47	Mauritius	0.099	7	Norway	1.104
110	Bangladesh	-0.782	78	India	-0.270	52	Jordan	0.005	8	United Kingdom	1.042
113	Benin	-0.865	80	Lao PDR	-0.297	54	Hungary	0.000	9	Denmark	1.024
116	Ethiopia	-0.961	82	Morocco	-0.336	56	Bulgaria	-0.048	10	Canada	0.987
117	Mozambique	-0.966	83	Moldova	-0.337	57	Brazil	-0.054	11	Belgium	0.985
118	Mali	-1.034	84	Guatemala	-0.341	58	Mexico	-0.057	12	New Zealand	0.978
119	Burkina Faso	-1.077	87	Ghana	-0.363	60	Turkey	-0.065	13	Austria	0.977

Top countries by Pillar



Lowest ranked countries



Bulgaria Total Score

Bulgaria

	Rank/122	Score
Human Capital Index 2013	56	-0.048
Pillar 1: Education	46	0.282
Pillar 2: Health and wellness	33	0.333
Pillar 3: Workforce and employment	100	-0.496
Pillar 4: Enabling environment	74	-0.311

Key Indicators

Total population (1,000s)	7,389.2
Median age of population	42
GDP per capita PPP (constant 2005, international \$)	12,178
GDP growth (annual %)	0.8

Romania

	Rank/122	Score
Human Capital Index 2013	69	-0.176
Pillar 1: Education	57	0.077
Pillar 2: Health and wellness	61	0.048
Pillar 3: Workforce and employment	85	-0.364
Pillar 4: Enabling environment	83	-0.463

Key Indicators

Total population (1,000s)	21,861.5
Median age of population	38
GDP per capita PPP (constant 2005, international \$)	11,443
GDP growth (annual %)	3.7

Serbia

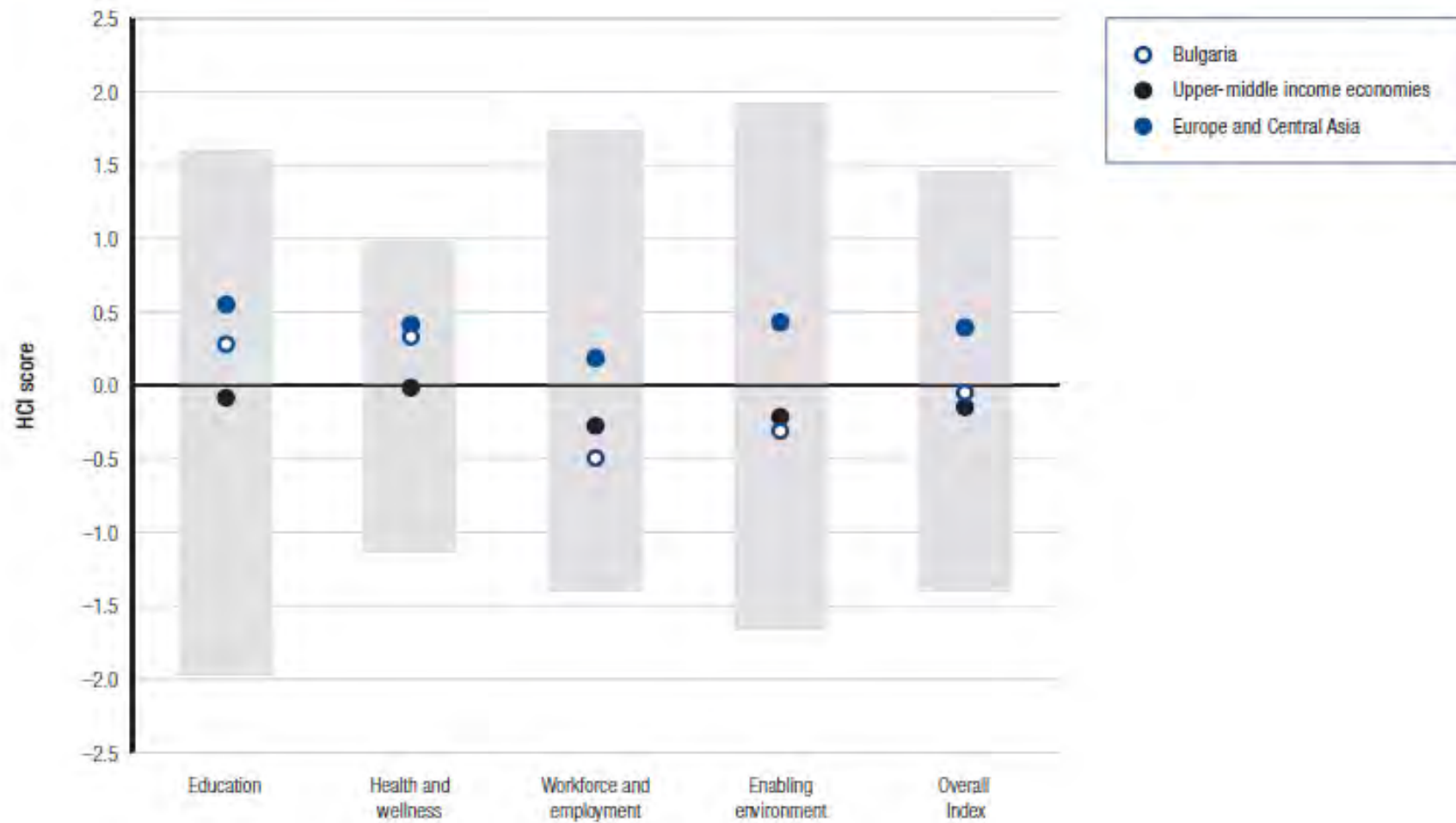
	Rank/122	Score
Human Capital Index 2013	85	-0.343
Pillar 1: Education	59	0.053
Pillar 2: Health and wellness	52	0.115
Pillar 3: Workforce and employment	118	-0.945
Pillar 4: Enabling environment	89	-0.596

Key Indicators

Total population (1,000s)	9,647.1
Median age of population	38
GDP per capita PPP (constant 2005, international \$)	9,683
GDP growth (annual %)	-1.7

Bulgarian Position

Spread of scores (by pillar and overall)



Health and Wellness Pillar

There are several dimensions to this factor:

1. Survival:

- Average Life Expectancy
- Infant Mortality
- Health Parity – Survival Gender Gap

2. Health:

- Stunting and wasting (% in children under 5)
- Unhealthy life years (% of life expectancy)
- Deaths under 60 from non-communicable diseases (% of all NCD deaths)
- Obesity (% of adults with BMI \geq 30)
- Business impact of NCD
- Business impact of CD

3. Well-being:

- Stress (% of respondents)
- Depression (% of respondents)

4. Services:

- Water, Sanitation and Hygiene
- Healthcare quality
- Healthcare accessibility



Health and Wellness – Bulgaria’s score – 33rd place

Pillar 2: Health and Wellness	Rank/122	Z-Score	Country Value	Sample Minimum	Sample Maximum
<i>Survival</i>					
Infant mortality (per 1,000 live births)	52	0.473	11	2	98
Life expectancy	59	0.177	74	50	83
Survival gender gap ²	28	0.714	0.979	0.920	0.980
<i>Health</i>					
Stunting and wasting (% in children under 5)	12	1.060	6.0	1.2	36.5
Unhealthy life years (% of life expectancy)	22	0.636	11	8	66
Deaths under 60 from non-communicable					
diseases (% of all NCD deaths)	29	0.966	14.3	7.3	55.8
Obesity (% of adults with BMI ≥ 30)	70	-0.302	21.4	1.1	42.8
Business impact of non-communicable diseases ¹	58	0.131	4.54	2.74	5.87
Business impact of communicable diseases ¹	43	0.623	6.10	3.13	6.90
<i>Well-being</i>					
Stress (% of respondents) ⁷	28	0.525	24	8	69
Depression (% of respondents) ⁷	18	0.775	7	2	37
<i>Services</i>					
Water, sanitation and hygiene (% with access)	30	0.802	99.7	31.1	100.0
Healthcare quality ¹	113	-1.200	2.65	1.78	6.75
Healthcare accessibility ¹	85	-0.719	3.78	2.41	6.75

Education



Education has several dimensions:

1. Access to education

2. Quality of education

3. Educational attainment of **current workforce**

Impact on future labor force

Education – Bulgaria’s score – 46th place

Pillar 1: Education	Rank/122	Z-Score	Country Value	Sample Minimum	Sample Maximum
<i>Access</i>					
Primary enrolment rate (%)	12	0.725	100	58	100
Secondary enrolment rate (%)	45	0.453	83	16	100
Tertiary enrolment ratio (%)	39	0.620	57	1	103
Education gender gap ²	57	0.448	0.992	0.645	1.000
<i>Quality</i>					
Internet access in schools ¹	47	0.319	4.72	1.64	6.64
Quality of the education system ¹	77	-0.423	3.42	1.99	5.98
Quality of primary schools ¹	51	0.186	4.14	1.97	6.82
Quality of math & science education ¹	52	0.253	4.28	1.88	6.29
Quality of management schools ¹	98	-0.785	3.64	2.29	6.09
<i>Attainment</i>					
Primary education attainment (% population age 25+)	—	—	—	5	100
Secondary education attainment (% population age 25+)	16	1.137	93	2	100
Tertiary education attainment (% population age 25+)	36	0.168	21	0	44

¹ Survey data responses on a 1- to 7-scale (1 = worst score, 7 = best score)

² Data on a 0- to 1-scale (0 = worst score, 1 = best score)

Bulgaria Profile

Employment types, educational requirements and educational attainment

	Percent of population in employment type	Educational attainment (%)
Tertiary requirements	11.8	20.7
Professionals	6.6	
Technicians and associate professionals	5.2	
Secondary requirements	31.3	72.5
Clerks	3.9	
Service workers and shop and market sales workers	8.7	
Skilled agricultural and fishery workers	2.5	
Craft and related trade workers	8.7	
Plant and machine operators and assemblers	7.6	
Primary requirements	7.5	n/a
Elementary occupations	7.5	
Various	5.0	
Legislators, senior officials and managers	3.5	
Unclassified	1.5	
Armed forces	n/a	

Enabling Environment

1. **Infrastructure:**
 - **Mobile users (per 100 people)**
 - **Internet users (per 100 people)**
 - **Quality of domestic transport**
2. **Collaboration:**
 - **State of cluster development**
 - **Business and university R&D collaboration**
3. **Legal framework**
 - **Doing business index**
 - **Social safety net protection**
 - **Intellectual property protection and property rights**
4. **Social mobility**



Enabling environment – Bulgaria’s score – 74th place

Pillar 4: Enabling Environment	Rank/122	Z-Score	Country Value	Sample Minimum	Sample Maximum
<i>Infrastructure</i>					
Mobile users (per 100 people).....	18.....	0.988.....	141.....	17.....	191.....
Internet users (per 100 people).....	49.....	0.255.....	51.....	1.....	95.....
Quality of domestic transport ¹	72.....	-0.289.....	4.22.....	2.08.....	6.51.....
<i>Collaboration</i>					
State of cluster development ¹	95.....	-0.788.....	3.33.....	2.33.....	5.49.....
Business and university R&D collaboration ¹	102.....	-0.832.....	3.04.....	2.11.....	5.84.....
<i>Legal framework</i>					
Doing Business Index ⁴	54.....	0.271.....	66.....	1.....	180.....
Social safety net protection ¹	73.....	-0.510.....	3.23.....	2.10.....	6.26.....
Intellectual property protection and property rights ¹	91.....	-0.782.....	3.29.....	1.62.....	6.31.....
<i>Social mobility</i>					
Social mobility ¹	108.....	-1.113.....	3.38.....	2.78.....	6.36.....

Workforce and employment

3. Training

Staff training
Training services



- 1. Participation:**
- Labor force participation rate, age 15-64 (%)
 - Labor force participation rate, age 65+ (%)
 - Economic participation gender gap
 - Unemployment rate (%)
 - Youth unemployment rate (%)

- 2. Talent:**
- Country capacity to attract talent
 - Country capacity to retain talent
 - Ease of finding skilled employees
 - Pay related to productivity
 - Capacity for innovation
 - Index of economic complexity
 - Firm level of technology adoption
 - Scientific and technical journal articles (per 1000 people)
 - Median age of the working population

Workforce and employment – Bulgaria’s score – 100th position

Pillar 3: Workforce and Employment	Rank/122	Z-Score	Country Value	Sample Minimum	Sample Maximum
<i>Participation</i>					
Labour force participation rate, age 15-64 (%)	79	-0.224	67.0	43.4	90.6
Labour force participation rate, age 65+ (%)	117	-1.122	2.9	1.6	91.2
Economic participation gender gap ²	45	0.445	0.696	0.310	0.839
Unemployment rate (%)	80	-0.279	10.2	0.3	32.0
Youth unemployment rate (%)	76	-0.472	23.2	1.6	48.2
<i>Talent</i>					
Country capacity to attract talent ¹	115	-1.507	1.89	1.48	6.08
Country capacity to retain talent ¹	118	-1.653	1.93	1.81	5.97
Ease of finding skilled employees ¹	108	-1.377	3.03	2.13	5.69
Pay related to productivity ¹	42	0.445	4.19	2.37	5.25
Capacity for innovation ¹	90	-0.660	3.18	2.31	5.84
Index of Economic Complexity ³	36	0.493	0.58	-1.96	2.37
Firm level technology absorption ¹	98	-0.922	4.16	3.17	6.23
Scientific and technical journal articles (per 1,000 people)	40	-0.303	0.097	0.000	1.242
Median age of the working population	11	1.340	41	28	42
<i>Training</i>					
Staff training ¹	108	-1.261	3.24	2.51	5.57
Training services ¹	96	-0.877	3.61	2.67	6.47



COMMITTED TO
IMPROVING THE STATE
OF THE WORLD

Growth

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**Governments, business,
universities
and civil society institutions**

Stability

Awareness

Focus