

Guide on Measuring Human Capital



UNITED NATIONS

Contents

1 Introduction.....	1
1.1. Why this Guide?	1
1.2. Importance and policy relevance	1
1.3. Overview of the Guide.....	2
2 Concepts and definitions	8
2.1. Introduction.....	8
2.2. Defining human capital.....	8
2.3. Human capital and the <i>2008 SNA</i>	11
2.4. Recording and measuring human capital as an asset.....	13
2.5. Non-economic returns.....	20
3 Methodological issues	22
3.1. Introduction.....	22
3.2. Methods and approaches to measuring human capital	23
3.3. The cost-based approach.....	25
3.4. The lifetime income-based approach	29
3.5. The indicators-based approach	36
3.6. Volume indices	38
3.7. Discussion of the different approaches	40
3.8. Approaches in the Guide.....	41
4 Implementation and measurement issues.....	43
4.1. Introduction.....	43
4.2. Measurement with the cost-based method	43
4.3. Measurement with the lifetime income-based method	54
4.4. Measurement with the indicators approach	71
4.5. Concluding remarks	72
Annex A. Implementation of the indirect approach.....	74
5 Satellite account for education and training	75
5.1. Introduction.....	75
5.2. Key variables of the Satellite Account for Education and Training	76
5.3. Identification of the products, producers and financial agents	78
5.4. The main tables of the SAE	84
5.5. The supplementary tables of the SAE.....	90
5.6. Conclusion	92
6 Human capital satellite account: an example for Canada	93
6.1. Introduction.....	93
6.2. Measurement of human capital for a satellite account.....	94
6.3. Human capital as a produced asset	95
6.4. Human capital satellite account: cost-based approach.....	97
6.5. Human capital satellite account: income-based approach	101

6.6. Integration of the cost-based estimate of human capital in the CSNA.....	102
6.7. Integration of the income-based estimate of human capital in the CSNA.....	106
6.8. Conclusion	107
Annex B. Tables.....	109
7 Human capital country studies	123
7.1. Introduction.....	123
7.2. Human capital measures	123
7.3. Comparison of alternative human capital measures	125
7.4. Human capital country measures not listed in the table	127
7.5. Conclusion	128
7.6. Examples.....	129
8 Recommendations and further work	133
8.1. Recommendations.....	133
8.2. Further work.....	134
References	137