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WEF Gives Russian Human Capital Mediocre Grade

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The quality of education in the country received low scores from business executives, contributing to Russia's middling rank in the latest study of human capital by the World Economic Forum.

The forum's Human Capital Index, which identifies the ability of 122 countries to develop and nurture their workers, placed Russia in 51st place.

Russia ranked second among the BRICS countries, behind China which occupied the 43rd spot.

Switzerland, Finland and Singapore led the Human Capital Index, which measured countries on education, health, employment and enabling environment.

“Russia’s strengths lie in quantity over quality,” Saadia Zahidi, head of human capital at the World Economic Forum, told The Moscow Times.

Over half of those already in the labor force hold a university level degree, she said. Coupled with high current university enrollment rates, which stand at 76 percent, this indicates that the future workforce will be among the most highly educated in the world.

However, the quality of that education is rated low by business executives, particularly the quality of management schools, where Russia is ranked 98th in the world, she said.

Labor force participation rates in the adult population, including women, are high, although youth unemployment stands at more than 17 percent while adult unemployment is at 7.5 percent.

“Similar to education, the quality of that employment is a relative weakness,” Zahidi said.

Business executives point to difficulties in finding skilled employees with Russia ranking 102nd on this variable, she added.

The country’s ability to attract and retain talent is also fairly low, Zahidi said. A low score for the metric of technology absorption may signify a weakness in technological leadership skills. Additionally, firms are not investing in further training for their staff.

Among those already in the workforce, poor health is taking a toll with noncommunicable diseases having a negative impact on business, heart disease and respiratory illness in particular, she said. Nearly a quarter of the deaths occurring from these diseases occur before the age of 60 which is before retirement age for men and women.

Finally, the relatively weak state of cluster development, property rights and social safety nets point to some of the concerns in the enabling environment for the country’s human capital, Zahidi said.

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