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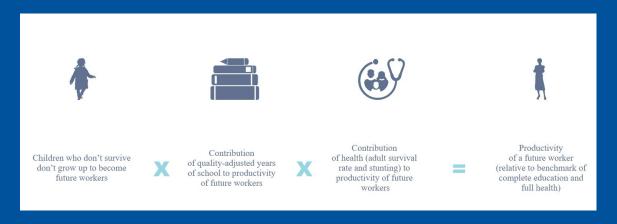
#### **Background**

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### **Human Capital Index**

Briefly, **Human Capital Index** is the index shows productivity as a future worker of a child born in that year.



#### Let's say country X get 0.5 HCl, what is 0.5 HCl means?

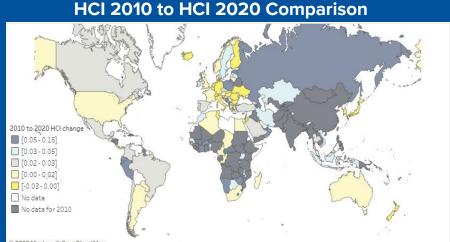
Every child born in this country has 0.5 chance of growing up provided they complete their education and are in good health.

**FYI:** World Bank only released Human Capital Index (HCI) for 4 times (2010, 2017, 2018, 2020), so the data used for the analysis is limited to those 4 years.

## **Problem Statement**

How would the Indonesian Government increase its Human Capital Index to 0.64 (high level) to achieve Indonesia Emas by 2045?





- Indonesian HCI is still in the lower middle level
- For 10 years (2010 to 2020), Indonesia HCl only increased 0.04
- Indonesia's HCl score (0.54) is still lower than the average HCl score in ASEAN (0.58)

#### **ISSUE TREE DIAGRAM HCI Calculation Formula** Probability of Survival Survival to Age 5 (0-1) Expected Years of School (0-14) How to increase Education Harmonized HCI? Test Score (300-625)Fraction of Children Under 5 Not Stunted (0-1) Health Fraction of 15-Year Olds Who Survive to Age 60 (0-1)

#### Description

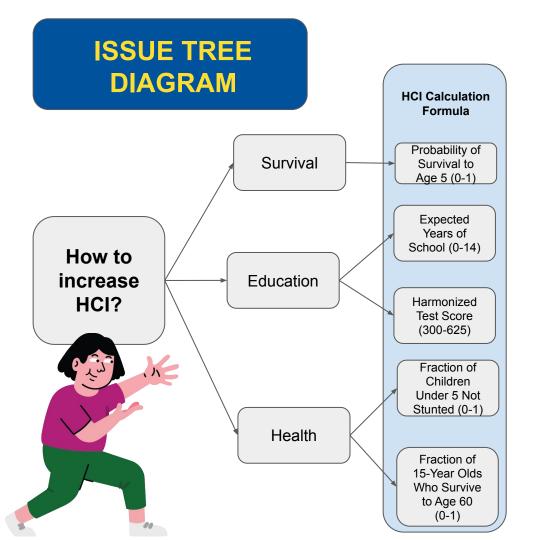
Calculated by subtracting the under-5 mortality rate from 1.

Calculated as the sum of age-specific enrollment rates between ages 4 and 17.

Based on major international student achievement testing programs measured in TIMMS-equivalent units

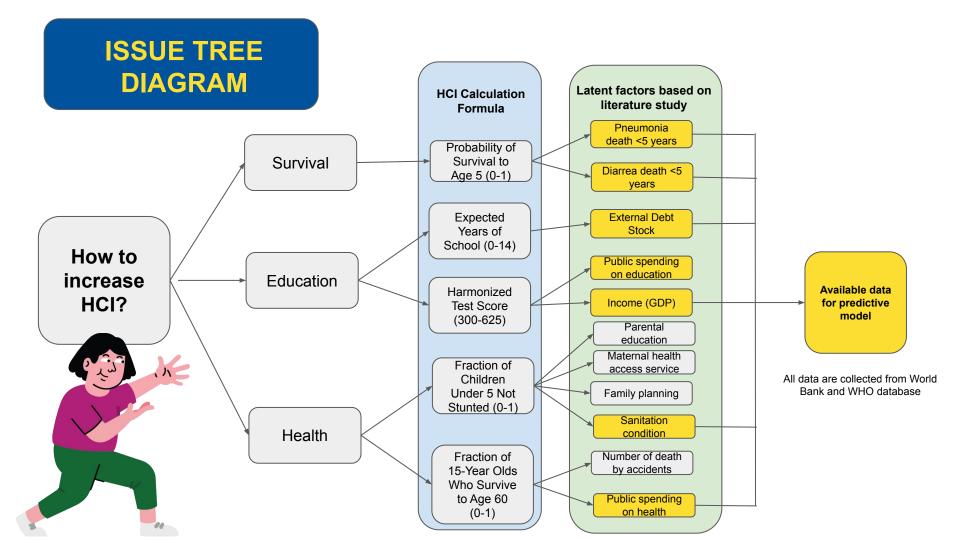
Calculated by subtracting suntuing rates from 1.

Calculated by subtracting thr mortality rate for 15-60 year-olds from 1.



But how would government controls them?

These variables seems depend on another factors and hard to be controlled



### **Raw Data**

### **Descriptive Statistics**

	A	В	С	D	E	F	G	Н	1
1	Country	HCI	EDU	HEALTH	SANI	DEBT	GDP	PNEMO	DIARE
2	Aruba		5.924789906				24631.1821		
3	Afghanistan			9.81848717		2480214114	437.26874		
4	Angola			3.84260869		20277281253	3122.7816		
5	Albania	0.54360294		4.6022253	43.8438649	4605163642	4114.1349	94	1.356009824
6	Andorra		3.142920017	6.23957682	79.2656587		43504.2157		
7	United Arab Emirates	0.62127405		4.04999352	79.6917076		32024.1978	12	1.045706488
8	Argentina	0.58855706	5.531050205	9.45598793	49.756298	133695000000	8225.13758	757	5.173022196
9	Armenia		3.840790033	8.44377995	52.4277415	4934959250	2994.34047		
10	American Samoa						11910.0132		
11	Antigua and Barbuda		2.508889914	4.19123125			14160.562		
12	Australia	0.75484377	5.085820198	8.56316471	63.6234566		42783.3226	37	0.395517581
13	Austria	0.73778212	5.730249882	10.2258253	99.6489704		48153.324	6	0.394432369
14	Azerbaijan	0.49745739	3.224309921	2.6137836	24.5081648	4548547550	4950.29479	2449	18.71502521
15	Burundi	0.34287551	6.171949863	10.3502188		607230101.8	212.137057	3474	394.6345388
16	Belgium	0.75272685	6.458099842	10.3545504	79.131369		44760.2912	12	0.897797304
17	Benin	0.36558479	3.089270115	2.82528329		1325336572	1088.75791	6003	207.6609991
18	Burkina Faso	0.31972128		5.08159304		1939710439	624.175165	13557	367.1155504
19	Bangladesh		1.939419985	2.56097794	27.3595642	25377795050	702.26442		
20	Bulgaria	0.63661927	4.274290085	6.59577608	51.4179341	55682965449	6988.23332	167	3.95242769
21	Bahrain	0.60491228		4.05684614	79.0974583		19355.921	5	1.834889025
22	Bahamas, The			5.15085459			28552.5172		
23	Bosnia and Herzegovin	na		9.02212143	22.5939087	14005774333	4714.69375		

```
#Descriptive Statistics
print('Descriptive Statistics pada Data :')
print(df.describe())
print('======|\n')
Descriptive Statistics pada Data:
             HCI
                        EDU
                                HEALTH
                                              SANI
                                                           DEBT
count 601.000000 601.000000
                            601.000000
                                        601.000000
                                                   6.010000e+02
        0.569461
                   4.488071
                               6.679110
                                         61.626751 4.580971e+10
mean
        0.145609
                   1,489106
                              2.796722
                                         23.737210 1.497183e+11
std
min
        0.286075
                   1.326320
                               2.083311
                                          5.866489
                                                  8.090757e+07
                   3.729640
25%
        0.443490
                              4.512254
                                         49.756298 7.890234e+09
50%
        0.574536
                   4.366525
                              6.470227
                                         64.581756
                                                  1.284940e+10
75%
        0.690000
                   4.951570
                               8.458914
                                         77.152274 1.857658e+10
        0.887084
                  12.903480
                             23.961813 100.000000 2.114160e+12
                GDP
                            PNEMO
                                        DIARE
         601.000000
                       601.000000
                                   601.000000
count
       15154.805095
                      3728.326955
mean
                                    61.500267
       20096.511200
                     15124.142457
                                   131.840417
std
min
         212.137057
                         0.000000
                                     0.135771
25%
        2169.991500
                        19.000000
                                     1.005310
50%
        6119.762340
                       147.500000
                                     5,173022
75%
       19133.757800
                      2279.000000
                                    55,155620
       113218.713000 164659.000000
                                  1030.029386
_____
```

## **Project Goals**

Provide insights and prediction model to the government in order to improve human capital



## **Success Metrics**

Get the best prediction model accuracy value above 80% Presents a visualization that can help the government to know the condition of HCI Indonesia



1. Provide factual information related to indicators of HCI



2. Assist the government in making new policies that can increase the Human Capital Index (HCI) in Indonesia.

How the product solve the problem

### Tech stack of the product

#### **STEP 1: PRE-PROCESSING**



Data collection and analysis



Pre-processing data and descriptive statistics

## STEP 2: EXPLORATORY DATA ANALYSIS



Data visualization



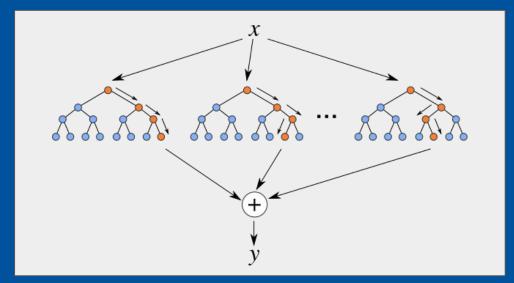
### Tech stack of the product (2)

## STEP 3: MODELLING AND ANALYSIS



Predictive model visualization (integrated with Python), implement machine learning model-Random Forest Regression Algorithm to predict HCI

## Random Forest Regression Algorithm (Machine Learning Model)

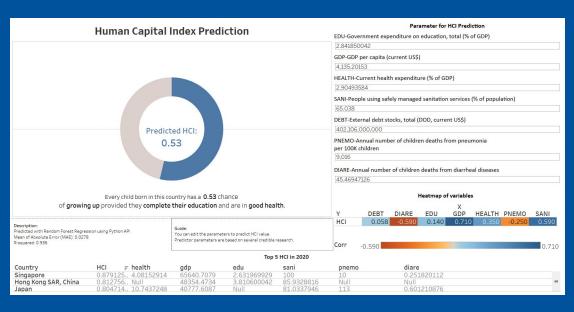


## **DEMO TIME!**

#### **Google Data Studio**

#### Generasi ASEAN HUMAN CAPITAL INDEX(HCI) COMPARISON Avg HCI in the World (2020) Comparison of Indonesia's HCI Score with ASEAN Countries 0,58 HUMAN CAPITAL INDEX 2020 Indicators 1. Probability of Survival to Age 5 2. Expected Years of School 3. Harmonized Test Scores 4. Fraction of Children Under 5 Not Stunted S. Adult Survival Rate (Mortd Rank) Indicator HCI in ASEAN Countries Probability of Survival to Age Expected Years of School Harmonized Test Scores Harmonized T est Scores Fraction of Children Under 5 Not Stunted Adult Survival Rate Practice of Children Under 5 Not Sturtled

#### Tableau + Python



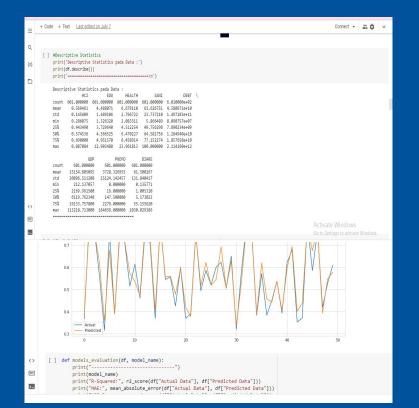
## **Learning Takeaways**



- Communication is a key for teamwork!
- Time management is essential for project management!

### **Documentation**

### **Robust Python Model**



#### **Solid Team**





# ATTACHMENTS

**BLANK INTENTIONALLY** 



### **Human Capital Index**

#### **Analysis:**

- The value of each indicator influences the HCl value (Probability of survival to age 5, expected years of school, harmonized test score, fraction of children under 5 not stunted, adult survival rate). Countries with high scores for each indicator will also produce high HCl scores. For example, Singapore.
- The value of Indonesia's HCI continues to increase from 2010 to 2020, which is also influenced by the increase in the value of each indicator from year to year.



### **Probability Of Survival to Age 5**

### **Analysis:**

• The probability of survival to the age 5 indicator seems to increase from 2010 to 2018. However, in 2020 the value tends to be the same. The value of the indicator rise is impacted by the variable death rate diarrhea and pneumonia. Where the death rate for certain diseases tends to decrease from year to year which boosts the indicator value.



### **Education**

### **Analysis:**

- Indonesia's External Debt Stock is the highest among ASEAN countries
- Although Indonesia's External Debt Stock experienced a large increase, it only had a slight increase in the Expected year of school variable in Indonesia
- Harmonized test scores in Indonesia tend to be the same from 2010-2020
- GDP in Indonesia is still lower than the average GDP in ASEAN
- Even though expenditure on education in Indonesia is higher than Singapore, the harmonized test score is still lower than Singapore because Singapore's GDP is higher.



### Fraction Of Children Under 5 Not Stunted

### **Analysis:**

• Indicators of the number of children under five being stunted are influenced by several variables, including sanitation, parental education, access to maternal health care, and family planning. The value of these indicators tends to improve every year. From 2018 to 2020, there was a fairly high increase. This was attributable to an increase in the quality of home sanitation, enhanced maternal education, and also high service coverage, even if the number of family planning users was falling.



### Fraction Of 15 Year Olds Who Survive To Age 60

#### **Analysis:**

The pattern of causes of death in the age range 15-44 years is traffic accidents, whereas for fatalities in the age group 45-54 years are many illnesses. The fraction indicator value tends to remain steady every year due to the resilience of accidents and fatalities each year. In addition, the value of health care does not problem is evident from year to year.



### **Prediction Analysis**

### **Analysis:**

- We use Random Forest Regression to obtain a model that can be used to predict HCI values with several influencing factors. Previously, we analyzed the correlation of each factor to the HCI value and found that the GDP, sanitation, and health spending variables had a higher correlation than the other variables. The model is obtained with an MAE evaluation value of 0.028, which means that the model can predict the HCI value with an error probability of only 2.8%. The model has been very well used.
- An analysis was conducted to determine which variable value predictions should be improved so that HCI Indonesia can achieve the desired HCI target number, which is close to the value of 80%. The result is that the GDP value with the highest correlation will help increase HCI quickly, followed by the value of sanitation, health expenditure, and education expenditure.

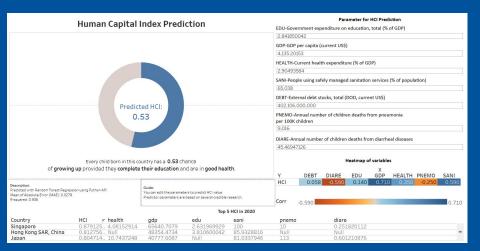


### **Prediction Analysis**

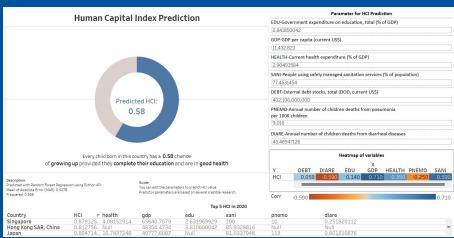
### **Analysis:**

We tried to make changes to the variables with a high correlation value to the HCl value (GDP and Sanitation), and the results obtained were significantly able to increase the HCl value.

Prediction results for Indonesia's HCI value 2020



Prediction results for Indonesia's HCI value 2020 (with changes)



### Recommendations

- Quality of household condition is the highest correlated controllable variables, then creating a program to continuously improve the quality of household sanitation, for example is CLTS program by Yayasan Dlan Desa Yogyakarta. CLTS (Community-Led Total Sanitation). CLTS is an approach method to change awareness by initiating or triggering the community's disgust and shame about sanitary conditions where they defecate in the open. So, in the end, they find a joint solution to change conditions.
- Increase the education budget so that the quality of education in Indonesia improves. Improve the quality of teachers, education, and school facilities in every region in Indonesia and develop educational curriculum that can compete in the digital era.
- Increase the spending in the health sector to increase the quality of health services, reduce stunting in children, provide education, and health insurance for the people of Indonesia.

