



## Human Capital in India

\*Gundimeda, Haripraya

Indian Institute of Technology, Mumbai, India - [haripriya@hss.iitb.ac.in](mailto:haripriya@hss.iitb.ac.in)

As India is the second most populous country in the world, it is particularly important to estimate India's contribution to economic growth and sustainability through its human capital. This presentation will build on Gundimeda's previous co-authored work on human capital in India. Cross-sectional nominal dollar human capital estimates for India and by state/union territory and by educational attainment categories will be presented for 1993, 2001, and if completed, for a later year. Trends in human capital will be compared across years. In addition, full monetary human capital balance sheets will be presented with opening stocks, additions, depreciation, other changes, revaluations, and closing stocks. Included information on average annual earnings by age and probability of enrollment, both by educational levels, for India and by state/union territory will facilitate understanding the trends and changes in Indian human capital over time. Jorgenson-Fraumeni methodology will be employed. This technique uses nominal dollar estimates of lifetime income cross-classified by gender, age, and educational attainment. In this application of Jorgenson-Fraumeni for India, income is constructed with Mincer equations. Use of lifetime income allows human capital estimates to reflect changing educational attainment and age distributions in India. This aspect of the measures is particularly important as younger workers in India have higher levels of educational attainment than older workers.

**Keywords:** Lifetime Income, Jorgenson-Fraumeni, International Comparisons, Education