ETF Working together Learning for life

European Training Foundation

ISRAEL

EDUCATION, TRAINING AND EMPLOYMENT DEVELOPMENTS 2018

THE EU AGENCY SUPPORTING COUNTRIES TO DEVELOP THROUGH LEARNING

KEY POLICY DEVELOPMENTS IN EDUCATION, TRAINING AND EMPLOYMENT

A significant effort is being made to increase the attractiveness of Technical and Vocational Education and Training (TVET). In 2017, the Ministry of Education in cooperation with all key stakeholders developed the new strategic plan to strengthen professional technological education in Israel from 2017 to 2022. It supports the re-launch of Vocational Education and Training (VET) by increasing the number of students, improving the quality of technological education and ensuring that it is provided in strong cooperation with industry.

With the primary aim to further improve the relevance, quality and availability of skills for the labour market, the Israeli National Qualifications Framework was officially launched in August 2018. State agencies together with the Manufacturers' Association of Israel committed to developing a framework for a joint definition and recognition of qualifications to help professional and geographic mobility of the labour force. This ambitious project is supported by the European Union (EU) via a twinning exercise and by the European Training Foundation (ETF) via expertise sharing.

With the support of the European Commission, ETF and the Organisation for Economic Co-operation and Development (OECD), assessment of the implementation of the Small Business Act in Israel (and in the whole European Neighbourhood Partnership Instrument South region) was completed in 2018. Progress in the promotion of entrepreneurial learning across secondary education stands out together with integrated support for female entrepreneurs. Entrepreneurship as a key competence is the key challenge for the future.

The adoption on 19 July 2018 of the Basic Law establishing Israel as the Nation State of the Jewish people has raised concerns regarding the possible negative effects it might have on minorities' rights within the state of Israel.

1. KEY DEMOGRAPHIC AND ECONOMIC CHARACTERISTICS

Israel is an OECD high-income country with a population of almost 8.8 million. The society is differentiated into various communities and religions. Jews represent 74% of the total population and are divided[1] into Haredi (ultra-Orthodox) and non-Haredi. Arabs represent 21% of the total population, of which Muslims account for 83%, Christians 9% and Druze 8%[2]. Those unclassified by religion, as well as migrant workers, are defined as 'others'[3]. As life expectancy and fertility rates are high and infant mortality rates low, population growth is expected. The future composition of the Israeli society and sustainability of its socio-economic model will be highly affected by some stark differences in key demographic variables, as Haredi Jews have a fertility rate of 6.9, Arab Israelis of 3.1 (Muslim fertility rates have fallen by 64% since 1960) and non-Haredi Jews of 2.7. With the youth dependency ratio at 46.1 and old-age dependency ratio at 19.4, policymakers will be challenged to take care of the needs of a growing young population and the elderly.

Since 2012, there has been a noticeable rise in the number of foreign workers (including irregular migrants). In 2017, the number of immigrants slightly increased (particularly from Ukraine and Brazil)[4]. This foreign workforce mainly works in three key sectors: caregiving, agriculture and construction[5].

Israel is an industrialised country with a high concentration of high-tech industries. The high-tech sector combines the industrial sectors in the electronics, pharmaceuticals and aircraft sectors with software and research and development (R&D) services. The economy is dominated by services that, in 2016, contributed 69.8% to gross domestic product (GDP) and include a variety of sectors including hospitality, food, administration and support sectors. Industry is mostly concentrated on manufacturing products with high added value and contributed 18.7% to GDP in 2016. The major industrial sectors include high-tech metal products, electronic and biomedical equipment, agricultural products, processed foods, chemicals and transport equipment. According to the Manufacturers' Association of Israel (MAI), the country is experiencing a labour force shortage, which requires the government to organise recruitment of workers from abroad.

Israel is known worldwide as the 'start-up nation'. According to the Central Bureau of Statistics, in 2016 there were 4 362 active start-up companies in Israel. However, the rise in the number of start-ups is slowing down and the country is experiencing a shift towards becoming a 'scale-up nation' with a drop in new establishments but an increase in employment and salaries[6]. Innovation is driven by the excellent cooperation between universities and industry that supply the economy with high-quality human capital and create scientific and technological strength. Due to its lack of natural resources and raw materials, Israel's unique competitive advantage is its highly qualified labour force, scientific institutions and R&D centres.

---

[1] On the basis of self-declaration.
[2] Taub Center, 'A picture of the nation', 2018, http://taubcenter.org.il/eng-pon-2018/. The Taub Center for Social Policy Studies in Israel is an independent, non-partisan, socio-economic research institute.
[3] 'Others' category includes family members of Jewish immigrants who are not registered at the Ministry of Interior as Jews, non-Arab Christians, non-Arab Muslims and residents who do not have an ethnic or religious classification.
[4] https://www.haaretz.com/israel-news/.premium-immigration-to-israel-bounces-back-in-2017-1.5629143.
[5] Israel Central Bureau of Statistics (2017) and Labour Migration Report (2016).
[6] https://www.calcalistech.com/ctech/articles/0,7340,L-3738693,00.html.

Israel's economy continues to register remarkable macroeconomic and fiscal performance: GDP growth, in 2017, was sustained at 3.3%. Growth is projected to strengthen to over 3.5% in 2018 and 2019. Support from fiscal easing, very low interest rates and a stronger external environment will boost demand and employment. In a tight labour market, rising wage pressures are projected to lead to a steady increase in inflation[7].

Israel is one of the most advanced world economies and according to the Global Human Capital Index 2017[8], it ranks 16th (out of the 20 most advanced) – two places higher than in 2016. Standards of living relative to the OECD average have continued to increase thanks to growing real wages and decreasing prices (with the main exceptions of food and house prices). Addressing social inequalities would promote the sustainability of Israel's competitive economy[9]. Further improving Haredi and Arab Israelis (youths in particular) integration into society through better education and training leading to a lower productivity gap with non-Haredi Jews can also help fight against poverty in a structured way.

2. EDUCATION AND TRAINING

2.1 Trends and challenges

Israel has a highly educated population. In 2017, 56.5% of the active population (aged 25+) have attained higher education, 34.4% medium-level education and only 9.1% a low level of education. The enrolment rates in primary and secondary education are high. In 2016, the net enrolment rate in primary education was 96.74% and in secondary education 98.58%[10]. Israel is also among the countries that have the highest share of 25- to 34-year-olds who have completed tertiary education (48%), above the OECD average of 44%. Women are more likely than men to attain tertiary education: the share of 25- to 34-year-old women with tertiary education was 20 percentage points higher than for men (58% compared to 38%) in 2017[11].

In 2016, the share of VET students in upper secondary education was relatively high at 40.3% and in secondary education at 19.8%. Adult participation in lifelong learning shows a slight decrease in 2017, with 9.7% of adults having participated in lifelong learning, very close to the EU average (10.7%). The tertiary education system supports the high-tech industry and global technological leadership, with remarkable shifts in higher education studies towards business, engineering and architecture, as well as an increase in the percentage of students studying advanced mathematics[12]. This has happened thanks to dedicated public policies and stable public expenditure on education. In 2015, the country's total education expenditure on primary to tertiary educational institutions amounted to 6% of GDP, higher than the OECD average of 5%. The higher spending is mostly driven by greater investment in primary education: Israel devotes 2.1% of GDP to this level, compared to 1.5% on average across OECD countries[13].

The national education system consists of five levels: pre-primary, primary, secondary, post-secondary and higher education. It is divided into six years of primary education (grades 1 to 6), three years of

[7] http://www.oecd.org/eco/outlook/economic-forecast-summary-israel-oecd-economic-outlook.pdf.
[8] http://www3.weforum.org/docs/WEF_Global_Human_Capital_Report_2017.pdf.
[9] Remarks by the Governor of the Bank of Israel at the Eli Hurvitz Conference on Economy and Society: One Society—One Economy, June 2017.
[10] http://uis.unesco.org/country/IL.
[11] http://gpseducation.oecd.org/Content/EAGCountryNotes/ISR.pdf.
[12] Taub Center, 'A picture of the nation 2018', available at: http://taubcenter.org.il/eng-pon-2018/.
[13] http://gpseducation.oecd.org/Content/EAGCountryNotes/ISR.pdf.

lower secondary education (grades 7 to 9) and three years of upper secondary education (grades 10 to 12). There are separate schools for the Jewish and Arab communities; however, there are Arab pupils who attend Jewish schools[14]. Demographic changes in the past 20 years have significantly affected the Israeli school network, which has had to expand dramatically in response. There has also been a change in the composition of the student population. Much of the increase in the number of primary and secondary school students has been in the Arab-speaking and ultra-Orthodox streams. These changes require the Israeli government to ensure that funding is allocated efficiently across the school network and to expand the teaching workforce[15].

Despite lingering budget inequality, significant gaps in the level of education between the Jewish and Arab education sectors are being reduced. Enrolment rates in Arab primary and secondary schools have risen from 63% in 1990 to 93% in 2015, whereas there was already 90% enrolment in the Hebrew education stream in 1990, which has since increased to 97%[16]. Among the improvements, there has been a large increase in the percentage of students taking Bagrut exams[17] and a substantial increase in Arab Israelis enrolling in vocational training (43% in 2015 compared with 36% of the Jewish sector)[18]. Recent years have seen more Arab Israelis going to universities, including women.

In general, the education system is fragmented and not fully inclusive. Despite improvements in the last few years, international assessments of Israeli students' outcomes (including the Programme for International Student Assessment (PISA)) show significant differences between students. Hebrew-speaking students have similar or better scores than the average OECD student, while Arabic-speaking students lag behind. The share of poorly performing Arabic-speaking students was 45%, compared with 12% for Hebrew speakers. Almost no Arabic speakers reached the top-performing cut-off. Particularly poor performance is found in the Bedouin community, whose children (below the age of 14) currently comprise almost one fifth of all Arab Israeli children[19].

While recognising the continuous progress and challenges in the education and employability outcomes in Israel, more needs to be done to promote vocational skills from the perspective of inclusiveness and economic competitiveness for non-high-tech sectors.

2.2 Education and training policy and institutional setting

The education system in Israel is governed by the Ministry of Education (MoE), which determines educational policy and is in charge of funding public expenditure on education from kindergarten to upper secondary education. The state education streams, both Hebrew and Arab, are managed at the ministry level, while the state-religious and ultra-Orthodox-independent education streams have their own sub-administration bodies inside the MoE. The ultra-Orthodox independent stream, while funded by the state, is less supervised by state policies.

TVET governance is centralised under the MoE (covering 90% of TVET students) and the Ministry of Labour, Social Affairs and Social Services (MoLSS) in coordination with the MAI. The MoE covers two separate paths: technological-scientific education and vocational (occupational) education. TVET takes place in: i) high schools (for those aged 16 to 18 at International Standard Classification of Education (ISCED) level 3); ii) schools offering post-secondary studies (aged 18 and above at ISCED

[14] https://www.nuffic.nl/documents/325/education-system-israel.pdf.
[15] http://www.oecd.org/education/Education-Policy-Outlook-Country-Profile-Israel.pdf.
[16] Taub Center, 'A picture of the nation 2018', available at: http://taubcenter.org.il/eng-pon-2018/.
[17] The Bagrut certificate is necessary to enrol in higher education in Israel.
[18] Taub Center, 'A picture of the nation 2018', available at: http://taubcenter.org.il/eng-pon-2018/.
[19] https://www.oecd.org/eco/surveys/Israel-2018-OECD-economic-survey-overview.pdf.

4); and iii) technological colleges. Initial VET is also provided in privately managed schools run by technological education networks and supervised by key ministries. The MoE also supervises self-paid continuing vocational training (CVT) for adults.

The MoLSS covers the following TVET tracks: a) apprenticeships; b) pre-VET/initial VET provision for specific youth populations in education network schools; c) frameworks for certified technicians/practical engineers through the National Institute for Training in Technology and Science (NITTS); and d) CVT, including training for jobseekers and employer-led training for adults. TVET under the MoLSS is delivered in: i) vocational schools for young people, where courses include apprenticeships and one- or two-year courses combining study and practical experience; ii) academic colleges (for NITTS-certified courses); and iii) adult training centres and on-the-job training. TVET providers have considerable local autonomy regarding curriculum requirements and partnerships/initiatives.

A formal system of social partnership is lacking but employers are represented through the frequent involvement of the MAI in TVET policy development/reform activities. Employers have a strong voice in decision-making on education and training reforms. Together with think tanks, they work to establish a sophisticated model to facilitate the allocation of workers to open positions and by creating a framework in which business representatives take an active part in training both in schools and workplaces[20]. Employers have called on public institutions to address the challenges of skills mismatch at the technical level by pursuing some necessary reforms to boost education and training reforms including the link between skills and prosperity and equity.

Professional/subject committees are key coordination mechanisms between TVET stakeholders. Membership of each committee includes an academic, the MoE subject inspector, representatives of the Israeli Defence Forces (IDF), the MAI, and the relevant industry professional body, as well as school personnel. There are approximately 19 such committees.

A wide range of teaching and learning methodologies are used/being introduced in TVET institutions including online learning, work-based learning (WBL), community-linked learning and problem-based learning. WBL is an integral part of the curriculum for some programmes and students are placed in companies/factories in which they gain experience of real-life systems/processes. Another initiative that encourages WBL is the establishment of advanced technology centres for practical VET.

The main reforms in the TVET sector include: 1) improved inter-ministerial collaboration with leading technology education professionals to significantly increase student numbers and raise knowledge and skills levels to respond to the labour market; 2) the creation of a new system of accreditation for students in technology education that translates the structure of technology studies into a recognised accreditation model; and 3) effective quality assurance provision for TVET, due to the lack of a system capable of making useful labour market information available to education and training planners. The ETF is supporting improvement of the quality assurance system via capacity-building actions and facilitation of access to international good practices.

With the aim of further improving the relevance, quality and availability of skills for the labour market, the Israeli National Qualifications Framework was officially launched in August 2018. State agencies

[20] The biggest ever employers' survey on the roadblocks and opportunities in a new economy versus a renewable economy, the future workforce, improving regulation, doing business, and rethinking the Israeli employment and pension system was presented at the Eli Hurvitz Conference in June 2017. The goal of the policy discourse is to improve the government's decision-making processes and the quality of Israel's social and economic policies for the benefit of the entire public.

together with the MAI have committed to developing a framework for a joint definition and recognition of qualifications to help professional and geographic mobility of the labour force. This ambitious project is supported by the EU via a twinning exercise and by the ETF via expertise sharing.

To increase the attractiveness of TVET, in 2017, the MoE in cooperation with all key stakeholders developed the new strategic plan to strengthen professional technological education in Israel from 2017 to 2022. It supports the re-launch of VET by increasing the number of students, improving the quality of technological education and ensuring that it is provided in strong cooperation with industry.

Another major step forward in the system-level reforms in the Israeli education and training system is the promotion of entrepreneurship as a key competence in lifelong learning. Promoting a more entrepreneurial mindset among the population will improve employability of citizens and increase economic productivity.

3. LABOUR MARKET AND EMPLOYMENT

3.1 Trends and challenges

The Israeli labour market has improved markedly over the last decade. Both activity and employment rates have been steadily increasing and stood respectively at 64.0% and 61.3% in 2017. While this partly reflects remarkable progress for older workers due to the retirement age increase, more and more Haredi Jews and Arab Israelis have also found jobs, though their employment rates remain low. The problem is especially severe for Haredi men and Arab Israeli women; indeed, progress has stalled for both groups[21].

In general, Israel's labour market is becoming more equal from a gender perspective. Women's employment rates continue to rise, and Jewish women have nearly reached the same employment rates as Jewish men. Women are moving from high- to low-risk jobs to a greater degree than men, primarily due to an increase in the share of female workers in academic professional occupations. In addition, the wage gap has been decreasing, and an increase in salaries is estimated at 22.5% for Jewish women and 26.4% for Arab Israeli women[22].

The unemployment rate (for those aged 15+) has further decreased to 4.2% in 2017 (from 4.8% in 2016) with practically no gender differences. Those with higher education perform better in the labour market. In 2017, 3.2% of unemployed people with high education attainment were unemployed in comparison to 5.4% with low education attainment. The youth unemployment rate (for those aged 15 to 24) has also further improved from 8.6% in 2016 to 7.3% in 2017, with unemployment affecting young females more (7.8% in 2017).

In general, young people have a relatively easy transition from education to work. The proportion of Israeli youths (aged 15 to 24) not in employment, education or training (NEET) was 14.9% in 2017 (the same as in the previous year and in line with the OECD and EU averages). Israeli NEETs are more likely to be inactive, rather than unemployed.

The labour market in Israel is moving from a traditional economy, based on manufacturing and production, to one of information technology and modern services. As a result, some occupations are

[21] https://www.oecd.org/eco/surveys/Israel-2018-OECD-economic-survey-overview.pdf.
[22] Employment indicators: Israel Central Bureau of Statistics, 2017.

already at risk of automation[23] as about 40% of Israel's working hours are in occupations considered to be at high risk of being computerised in the next two decades[24].

Israel is confirmed as having the highest share of employed people in high-tech industries – approximately 9%, more than double the median in OECD countries, with a geographic concentration in the centre of Israel. Wages in the high-tech industries are approximately double the average wage in the economy. However, employers in these industries are facing increasing skilled labour shortages, undermining their growth and competitiveness. Companies are reporting difficulties in filling jobs, particularly for engineers. A special visa exists for skilled workers where there is no local expertise.

The Israeli labour market is characterised by a severe duality. On the one hand, there are productive advanced industries, including high-tech sectors, which attract mostly high-skilled workers with high wages. On the other hand, low-productivity, often non-tradeable, sectors employ many Arab Israelis and Haredi Jews who are trapped in low-quality, low-wage jobs. Moreover, job mobility towards high-productivity sectors is declining, which means that the probability that low-educated individuals will get jobs in high value added, high-wage industries has decreased over time. Arab Israelis comprise only about 3% of the high-tech workforce, and Haredi are also under-represented. The situation is similar in many other sectors such as financial and professional services. This reflects a number of difficulties and barriers including education and transportation issues, but also other obstacles such as language barriers, cultural and social norms, as well as insufficient inclusiveness of policies and programmes[25].

3.2 Employment policy and institutional setting

In 2016, employment policy was moved to the Ministry of Welfare, which is now the MoLSS. The Israeli employment service is under the supervision of the MoLSS and the Supreme Service Authority. There are 72 employment offices throughout the country. In addition to administrating unemployment benefits, the employment service operates placement and matching services. It offers vocational assessment, guidance and placement for the unemployed and other jobseekers who legally qualify for its services. It also offers training for those in need of coaching or seeking re-entry into the labour force by organising workshops. The employment service maintains a database and online information system of all clients it has served and of all jobs on offer until filled.

Israel is prioritising active labour market policies (ALMPs) in an effort to get unemployed people back to work. To this end, the ALMPs include the Welfare to Work programme, a reduction in allowances paid to people of working age, introducing an earned income tax credit for employees, and creating a network of Employment Orientation Centres in Arab and Haredi communities. However, active labour market policy is underdeveloped and resources invested are below the OECD average[26]. The public employment service has a very limited set of tools to promote reintegration of jobseekers into the labour market, coupled with training programmes. Caseloads are very high and caseworkers can offer vocational training opportunities to a small number of jobseekers. Many pilot projects/programmes

[23] Taub Center, 'Occupations at risk: computerization trends in the Israeli labor market', 2015, available at: http://taubcenter.org.il/occupations-risk-computerization-trends-israeli-labor-market/.
[24] Taub Center, 'The digital world: computerization trends in Israel's labor market', 2016.
[25] https://www.oecd.org/eco/surveys/Israel-2018-OECD-economic-survey-overview.pdf.
[26] OECD, Israel economic survey 2018, available at: http://www.oecd.org/eco/surveys/Israel-2018-OECD-economic-survey-overview.pdf.

have been launched, such as Employment Circles, which have shown promising results and could provide necessary lessons learned for more mainstream implementation[27].

There are efforts to narrow the skills mismatch by improving work on skills forecasting. For example, the Israel Labour Market and Skills Forecast for 2040 report identifies disappearing and emerging professions. The report proposes several measures, including increasing the overall level of skills of the underperforming groups (e.g. the Arab and Haredi population), providing stronger skills development opportunities linked to apprenticeships and on-the-job training, as well as developing a career guidance system to better link the acquisition of skills to the world of work[28].

Several challenges need to be addressed to further improve the economic and societal conditions, such as narrowing social gaps, reducing the mismatch between supply and demand of workers in the labour market, strengthening ALMPs, strengthening lifelong learning and adapting the existing legislation and labour agreements to changes in the labour market[29].

Israel continues to have the highest poverty rate in the OECD countries. In 2014, the Committee to Fight Poverty in Israel (the Elalouf Committee)[30] presented a list of recommendations to cut poverty in Israel through welfare, social security, employment, housing, health, and education policy. Four years after the list was issued, only about half of the recommendations have been implemented – largely due to budgetary restrictions for the active labour market measures.

Many programmes have been launched for the poorest population sections of society (Haredi, Ethiopian, Arab and Bedouin) in education and training. On 12 February 2017, the government approved Resolution 2397 on a new five-year plan for socio-economic development for 2017 to 2021 in the Negev Bedouin localities. This is the second five-year economic development plan, the largest ever developed for the community. If implemented successfully, the plan stands to make a big impact on society[31].

For the Arab sector, the most important programme is the five-year Economic Development Plan for the Arab Sector (2015), which is unprecedented not only in its scale and scope, but also in its call for proportional budgeting by government ministries (an acknowledgement of inequality in existing allocation mechanisms). One area of particular emphasis is informal education in Arab society. This is a historic measure in terms of the resolution itself, as well as the budgetary level, as 650 million

---

[27] OECD, Israel economic survey 2016, available at: https://www.oecd.org/eco/surveys/Israel-Overview-OECD-Economic-Survey-2016.pdf.
[28] Some of the key findings of this skills foresight report: 1) professions with low risk of computerisation require creativity, social intelligence, persuasion and negotiation; 2) professions such as hairdressers, choreographers, artists and athletes, who have uniqueness and creativity, will remain; 3) professions requiring high social skills, such as social and psychological workers, are also at low risk of computerisation; 4) professions that are required for an ageing population are expected to remain; 5) high-risk professions are mainly those of repetitive and technical activities that can be performed by existing technology/technology that will become possible in the near future; 6) workers who provide about 39% of working hours in the Israeli economy may be replaced by computers and machines in the next two decades. See http://www.macro.org.il/en/fields/?field=250.
[29] As evidenced during Israel's leading Eli Hurvitz Conference, June 2018, under the banner Two Economies – One Society.
[30] The committee, headed by MK Eli Elalouf, was an initiative of the Minister of Social Affairs and Social Services, MK Meir Cohen, in 2013, to recommend ways of dealing with poverty and to strengthen equal opportunities in Israel.
[31] The strategic plan is very comprehensive: http://iataskforce.org/sites/default/files/resource/resource-1500.pdf. For more details, please refer to the detailed document and public feedback: http://iataskforce.org/sites/default/files/event/pdf-343.pdf.

shekels has been allocated for informal education in Arab society. However, efforts need to be stepped up for a more comprehensive active labour market policy for this community.

If the Israeli government follows its announced plans for growth priorities, they need to pursue policy options/actions to accelerate skills changes, driven by technological innovation, changing demographics, and shifting business models and nature of work, all of which will significantly alter the skills demanded by the Israeli labour market. A multifaceted lifelong learning system which continues to support and develop adult skills over the course of their lifetime remains imperative.

ISRAEL: STATISTICAL ANNEX

Annex includes annual data from 2012, 2016 and 2017 or the last available year

	Indicator		2012	2016	2017
1	Total Population (000) (1)		7,985	8,629	8,796
2	Relative size of youth population (age group 15-24, %) (1)		24.7	24.9	M.D.
3	Youth Dependency ratio (%)		44.6	46	46.1
4	Old Dependency ratio (%)		17.3	18.9	19.4
5	Global Competitive Index	Rank	26	24	16
		Score	5	5.2	5.3
6	GDP growth rate (%)		1.9	4.1	3.3
7	GDP per capita (PPP) (current international $)		31708	37258	38413
8	GDP by sector (%)	Agriculture added value	1.2	1.2	M.D.
		Industry added value	20	18.7	M.D.
		Services added value	68.5	69.8	M.D.
9	Poverty headcount ratio at $2 a day (PPP) (%)		0.7	M.D.	M.D.
10	Gini index (%)		41.4	M.D.	M.D.
11	Educational attainment of active population (25+) (%)	Low (2)	10.9	9.1	9.1
		Medium	37.3	34.9	34.4
		High	51.8	56.0	56.5
12	Gross enrolment rates in secondary education (%)		101.0	104.0	M.D.
13	Share of VET students in secondary education (%)		19.3	19.8	M.D.
14	Gross enrolment rates in upper secondary education (%)		99.3	103.1	M.D.
15	Share of VET students in upper secondary education (%)		39.1	40.3	M.D.
16	Low achievement in reading, mathematics and science – PISA (%)	Reading	26.6 (2009)	26.6	N.A.
		Mathematics	39.5 (2009)	32.1	N.A.
		Science	33.1 (2009)	31.4	N.A.
17	Participation in training/lifelong learning (age group 25-64) by sex (%)	Total	9.7	10.2	9.7
		Male	11.6	11.8	11.5
		Female	8.0	8.6	8.1

18	Early leavers from education and training (age group 18-24) by sex (%)	Total	8.5	6.9	7.2
		Male	11.4	9.4	9.6
		Female	5.6	4.2	4.6
19	Activity rates by sex (aged 15+) (%)	Total	63.6	64.1	64
		Male	69.3	69.1	69
		Female	58.1	59.4	59.3
20	Employment rates by sex (aged 15+) (%)	Total	59.2	61.1	61.3
		Male	64.6	65.9	66.1
		Female	54.1	56.4	56.7
21	Unemployment rates by sex (aged 15 +) (%)	Total	6.9	4.8	4.2
		Male	6.8	4.7	4.1
		Female	7.0	4.9	4.3
22	Unemployment rates by educational attainment (aged 15+) (%)	Low (3)	13.1	8.1	5.4
		Medium	7.9	5.6	4.9
		High	4.4	3.3	3.2
23	Youth unemployment rates by sex (aged 15-24) (%)	Total	12.1	8.6	7.3
		Male	11.6	8.2	6.7
		Female	12.7	9.1	7.8
24	Proportion of long-term unemployed out of the total unemployed (aged 15+) (%)		13.3	13.5	11.6
25	Long-term unemployment rate (aged 15+) (%)		1.0	0.6	0.5
26	Incidence of self-employment (%)		12.7	12.8	12.4
27	Share of the employed in a public sector (%)		M.D.	M.D.	M.D.
28	Employment by sector (%)	Agriculture	1.2	1.0	1.0
		Industry	17.9	17.6	17.5
		Services	80.9	81.4	81.5
29	Employment in the informal sector		M.D.	M.D.	M.D.
30	Proportion of people aged 15–24 not in employment, education or training (NEETs), by sex (%)	Total	16.7	14.9	14.9
		Male	15.5	14.1	13.9
		Female	17.9	15.8	15.8
31	Public expenditure on education (as % of GDP) (4)		4.8	4.7 (2014)	M.D.
32	Public expenditure on education (as % of total public expenditure)		15.4	16.3	16.7

33	Skill gaps (%)	M.D.	12.3 (2013)	M.D.
34	The share of SMEs in GDP (%)	M.D.	M.D.	M.D.
35	The share of SMEs in employment (%)	57.8 (2008)	M.D.	M.D.

Last update: 29/08/2018

Sources:

Indicators 1, 2, 10, 11, 17, 18, 19, 20, 21, 22, 23, 25, 26, 28, 29, 30, 31, 32 – Israel Central Bureau of Statistics
Indicators 3, 4, 6, 7, 8, 9 – World Bank, World Development Indicators
Indicator 5 – World Economic Forum
Indicators 12, 13, 14, 15 - UIS UNESCO
Indicators 16, 24 - OECD
Indicators 33 – World Bank, Enterprise surveys
Indicator 35 – International Financial Corporation

Legend:

M.D. = Missing Data

Notes:

+ (1) estimations
(2) Includes no schooling
(3) ISCED 0-1
(4)Total annual public expenditure in regular education (current and capital) as a percentage of GDP.

ANNEX: INDICATORS' DEFINITIONS

	Description	Definition
1	Total population (000)	The total population is estimated as the number of persons having their usual residence in a country on 1 January of the respective year. When information on the usually resident population is not available, legal or registered residents can be considered.
2	Relative size of youth population (age group 15-24) (%)	The ratio of the youth population (aged 15–24) to the working-age population (usually aged 15–64 or 15–74).
3	Youth Dependency ratio (%)	The ratio of younger dependants (people younger than 15) to the working-age population (those in the 15–64 age group).
4	Old Dependency ratio (%)	The ratio of older dependants (people older than 64) to the working-age population (those in the 15–64 age group).
5	Global Competitiveness Index	The Global Competitiveness Index assesses the competitiveness landscape providing inside into the drivers of countries' productivity and prosperity. It expressed as scores on a 1 to 7 scale, with 7 being the most desirable outcome.
6	GDP growth rate (%)	The annual percentage growth rate of GDP at market prices based on constant local currency.
7	GDP per capita (PPP) (current international $)	The market value of all final goods and services produced within a country in a given period of time (GDP), divided by the total population, and converted to international dollars using purchasing power parity (PPP) rates.
8	GDP by sector (%)	The share of value added from Agriculture, Industry and Services.
9	Poverty headcount ratio at $2 a day (PPP) (%)	The percentage of the population living on less than $2.00 a day at 2005 international prices.
10	Gini index (%)	Gini index measures the extent to which the distribution of income (or, in some cases, consumption expenditure) among individuals or households within an economy deviates from a perfectly equal distribution. A Gini index of 0 represents perfect equality, while an index of 100 implies perfect inequality.
11	Educational attainment of adult population (25-64 or aged 15+) (%)	Educational attainment refers to the highest educational level achieved by individuals expressed as a percentage of all persons in that age group.
12	Gross enrolment rates in secondary education (%)	Number of students enrolled in a given level of education, regardless of age, expressed as a percentage of the official school-age population corresponding to the same level of education.
13	Share of VET students in secondary (%)	The proportion of VET students in secondary education out of the total number of pupils and students in secondary education (general + VET)
14	Gross enrolment rates in upper secondary education (%)	Number of students enrolled in a given level of education, regardless of age, expressed as a percentage of the official school-age population corresponding to the same level of education.
15	Share of VET students in upper secondary education (%)	The proportion of VET students in upper secondary education out of the total number of pupils and students in upper secondary education (general education + VET)
16	Low achievement in reading, maths and science – PISA (%)	The share of 15-years-olds falling to reach level 2 in reading, mathematics and science.

	Description	Definition
17	Participation in training/lifelong learning (age group 25-64) by sex (%)	The share of persons aged 25–64 who stated that they received education or training in the four weeks preceding the (LFS) survey.
18	Early leavers from education and training (age group 18-24) by sex (%)	The percentage of the population aged 18–24 with at most lower secondary education who were not in further education or training during the four weeks preceding the (LFS) survey. Lower secondary education refers to ISCED 1997 level 0–3C short for data up to 2013 and to ISCED 2011 level 0–2 for data from 2014 onwards.
19	Activity rates by sex (aged 15+) (%)	Activity rates represent the labour force as a percentage of the population of working age.
20	Employment rates by sex (aged 15+) (%)	Employment rate represents persons in employment as a percentage of the population of working age.
21	Unemployment rates by sex (aged 15+) (%)	Unemployment rate represents unemployed persons as a percentage of the labour force.
22	Unemployment rates by educational attainment (aged 15+) (%)	Educational levels refer to the highest educational level successfully completed. Three levels are consider: Low (ISCED level 0-2), Medium (ISCED level 3-4) and High (ISCED 1997 level 5–6, and ISCED 2011 level 5–8)
23	Youth unemployment rates by sex (aged 15-24) (%)	Youth unemployment rate represents young unemployed persons aged (15-24) as a percentage of the labour force (15-24).
24	Proportion of long-term unemployed out of the total unemployed (aged 15+) (%)	Number of unemployed persons aged 15+ who are long-term unemployed (12 months or more) as a percentage of unemployed persons aged 15+.
25	Long-term unemployment rate (age 15+) (%)	Number of unemployed persons aged 15+ who are long-term unemployed (12 months or more) as a percentage of the labour force aged 15+.
26	Incidence of self-employment (%)	The share of self-employed as a proportion of total employment. Self-employment includes employers, own-account workers, members of producers' cooperatives and contributing family workers.
27	Share of the employed in a public sector (%)	The share of employed in a public sector as a proportion of total employment.
28	Employment by sector (%)	The share of employed in Agriculture, Industry and Services.
29	Employment in the informal sector	Share of persons employed in the informal sector in total non-agricultural employment.
30	Proportion of people aged 15–24 not in employment, education or training (NEETs) (%)	The percentage of the population of a given age group and sex who is not employed and not involved in further education or training.
31	Public expenditure on education (as % of GDP)	Public expenditure on education expressed as a percentage of GDP. Generally, the public sector funds education either by directly bearing the current and capital expenses of educational institutions, or by supporting students and their families with scholarships and public loans as well as by transferring public subsidies for educational activities to private firms or non-profit organisations. Both types of transactions together are reported as total public expenditure on education.
32	Public expenditure on education (as % of total public expenditure)	Public expenditure on education expressed as a of total public expenditure. Generally, the public sector funds education either by directly bearing the current and capital expenses of educational

	Description	Definition
		institutions, or by supporting students and their families with scholarships and public loans as well as by transferring public subsidies for educational activities to private firms or non-profit organisations. Both types of transactions together are reported as total public expenditure on education.
33	Skill gaps (%)	The percentage of firms identifying an inadequately educated workforce as a major constraint.
34	The share of SMEs in GDP (%)	The share of GDP contributed by small and medium businesses.
35	The share of SMEs in employment (%)	The share of persons employed in small and medium businesses.

FOR FURTHER INFORMATION ABOUT
OUR ACTIVITIES PLEASE CONTACT:
COMMUNICATION DEPARTMENT
EUROPEAN TRAINING FOUNDATION
VIALE SETTIMIO SEVERO 65
I - 10133 TORINO
E: INFO@ETF.EUROPA.EU
T: +39 011 6302222
F: +39 011 6302200
WWW.ETF.EUROPA.EU