

European Training Foundation

# KEY POLICY DEVELOPMENTS IN EDUCATION, TRAINING AND EMPLOYMENT

ISRAEL



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### **EXECUTIVE SUMMARY**

Israel's political landscape has been unstable, with a series of elections between 2019 and 2022, followed by a controversial judicial overhaul in 2023, leading to widespread protests. The 7 October 2023 Hamas attack profoundly impacted the country, prompting the formation of a war cabinet, which was dissolved in June 2024.

Demographically, Israel continues to experience population growth, driven largely by immigration. The fertility rate is decreasing across the different population groups. Economically, the war has negatively impacted GDP, especially in sectors like construction and tourism. Despite a recovering GDP, Israel faces inflation and a high poverty rate, with significant income inequality, particularly affecting the Arab and Haredi populations.

The Israeli government has emphasised technological education and lifelong learning through its 2030 plan, focusing on digitisation and remote learning. While education funding has increased, it remains lower than the OECD average. The share of 25-34-year-olds without upper secondary educational attainment increased by 1 percentage point, whereas this share decreased in 28 of the 35 OECD countries. At 9%, it is also below the OECD average of 14%. There is a slight decline in the number of NEETs. While the country has made progress in vocational and special education, participation in lifelong learning has declined.

Israel's performance in international assessments such as PISA shows progress in reading and science, but challenges remain in mathematics.

Israel's National Qualifications Framework (NQF) is still under development, and while progress has been made, its adoption is pending. The NQF aims to formalise qualification recognition across different educational and vocational tracks, which is critical for improving workforce skills. Quality assurance in education is a key focus, The Ministry of Education and the Ministry of Labour, in consultation with various bodies, are responsible for setting quality standards for providers' learning environments and learning outcomes.

Israel's labour market is characterised by a dual economy, with a thriving high-tech sector. Unemployment rates spiked following the October 2023 attack but have since decreased. There is a notable gender wage gap, and wage disparities exist between Arabs, Haredi and non-Haredi Jewish populations. The government has initiated employment programmes, particularly for underrepresented groups like Arab and Haredi women, aiming to improve vocational training and employment rates by 2030. Despite progress, there remains a need for policies that address skills mismatches and long-term labour-market trends.



# 1. KEY POLITICAL, DEMOGRAPHIC, ECONOMIC AND SOCIAL CHARACTERISTICS

### **Political developments**

The political situation in Israel is impacted and shaped by internal and external factors, including regional dynamics and international relations. Israel is a parliamentary democracy with a president as the head of state and a prime minister as the head of government.

Legislative elections were held on 1 November 2022 to elect the 120 members (MKs) of the 25<sup>th</sup> Knesset. The extended political deadlock that led to the election resulted from four inconclusive elections (two in 2019, 2020 and 2021). The 37<sup>th</sup> government of Israel was formed on 29 December 2022 and consists of the following seven parties: Likud, United Torah Judaism, Shas, Religious Zionist Party, Otzma Yehudit, New Hope and Noam. Benjamin Netanyahu leads the 37<sup>th</sup> government.

In 2023, following a judicial overhaul limiting the power of the Supreme Court and giving more control to the executive branch in appointing judges, various protests started throughout the country against the risk of democracy being undermined, and with increasing fear that too much power would be concentrated in the hands of the coalition. These protests came to a halt with the Hamas-led attack on 7 October 2023.

5 days after the Hamas-led attack, the Israeli war cabinet was formed and included the opposition party National Unity. This war cabinet was dissolved after Benny Gantz and Gadi Eisenkot left the war cabinet in June 2024.

### **Demographics**

There have been changes in Israel's demographics. Migration has increased, and fertility has decreased across all population groups. Still, fertility rates in Israel are high in comparison to international standards, mainly due to high fertility rates within the Jewish (3.03) and Muslim (2.91) populations. Until 7 October 2023, the death rate in Israel was lower than in any other year but increased due to the attack and the subsequent war. The first quarter of 2024 also showed a higher death rate than in 2023 (Weiss, 2024).

In 2022, net migration accounted for 39% of Israel's population growth. This was much higher than in previous years and can be partly explained by the increase in the number of immigrants from Ukraine and Russia due to the start of the war in Ukraine in February 2022. Net migration is expected to drop due to the ongoing war (Taub Center, 2023).

The overall growth rate in 2023 was 1.86%. Israel's population is expected to pass the 10 million mark in 2024 (Weiss, 2024). The Central Bureau of Statistics publishes monthly bulletins with key data; the September bulletin showed that in July 2024, Israel's population was 9 927 600, of which 2 099 800 were Arabs and 7 827 800 were Jews and others.

### Key economic developments

The war on Gaza in response to the Hamas attack on 7 October 2023 impacted the Israeli economy negatively (Weiss, 2024; OECD, 2024b). Schools and many services were closed for at least 3 weeks (OECD, 2024c). The Israeli economy rebounded well after the pandemic, but during the final quarter of 2023, it contracted by 5.8% compared to the same quarter in 2022 (Weiss, 2024).

Although GDP per capita in the first quarter of 2024 shows signs of recovery, it is still 2.7% below the level seen in the third quarter of 2023, prior to the recent conflict. Projections indicate that the GDP will grow by 1.5% in 2024 and 4.2% in 2025. Private consumption has shown signs of recovery but continues to face challenges due to inflation and geopolitical instability (Bank of Israel, 2024a). The



OECD (2024b) considers that private consumption, combined with government consumption related to the war, was the engine for growth.

In June 2024, the government budget deficit stood at 7.6% of GDP. However, it is projected to decrease to 6.6% by the end of the year (Bank of Israel, 2024a). The increase in the deficit, together with the country's risk, resulted in Moody's downgrading Israel's sovereign rating in February 2024 (OECD, 2024b).

The sectors most impacted by the attack and subsequent war are construction, tourism and hospitality (Bank of Israel, 2024a). The construction sector is projected to recover only partly from the dip at the end of 2023. Foreign tourists are expected to return towards the end of 2025 (OECD, 2024b).

Productivity per work hour in Israel is still lower than the OECD median, but the gap has narrowed. The smaller gap can be explained by a 45% increase in productivity per work hour in the high-tech and information communication sectors. However, there has also been a 30% increase in traditional industries (Weiss, 2024).

The shekel has been weakened by the judicial reform and the war following the 7 October 2023 attack (Weiss, 2024). The shekel showed a sharp recovery by the end of 2023, but the shekel-dollar exchange rate in the first half of 2024 remained slightly lower than just before the war (Bank of Israel, 2024a).

Price levels in Israel in 2022 were 38% higher than the OECD average, resulting in Israel being the most expensive OECD country (Weiss, 2024).

The inflation rate for the first half of 2024 was 2.8% (Bank of Israel, 2024) but is expected to increase to 3% by the end of 2024 (OECD, 2024b).

### **Key social issues**

The poverty rate in Israel is one of the highest in the developed world. In 2022, 20.9% of inhabitants lived below the poverty line (ILS 3,076); this percentage is much higher than the OECD average of 12%. It was even higher for children, with 28.2% living below the poverty line, according to 2022 data. Arab and Haredi families are in the above-average poverty categories, with figures of 39% and 33.7%, respectively, in 2022. According to the National Insurance Institute, the depth and severity of poverty among the poor population worsened compared to previous years. Poverty rates are higher than average in the Jerusalem, Northern and Southern Districts and lower than average in the Tel Aviv and Central Districts. In the second and third quarters of 2023, 30.9% of the adult population experienced food insecurity due to economic reasons (Kasir, Pines & Flam, 2023)

Income inequality is another issue. Although Israel performs slightly better in comparison to the percentage of the population living below the poverty line, it still ranks relatively high. In 2021, Israel had an income inequality score of 0.3691. This is 15 to 16% higher than the OECD average of 0.3166 (Kasir, Pines & Flam, 2023).

The percentage of resources allocated to welfare expenses is one of the lowest in the world, with 15.8% of GDP, compared to the OECD average of 22.4% (Kasir, Pines & Flam, 2023). In 2022, 1 130,000 people were registered with Social Services Departments, or about 118 per 1,000 people. This rate was higher among Arabs, with about 165 per 1,000 people (Central Bureau of Statistics, 2024b).

While gender parity has, in principle, been reached in education and training, Israel scores the lowest (together with Japan) among the 38 OECD countries in the Social Institutions and Gender Index. The index looks at gender equality in social institutions and issues such as discrimination within the family framework, protection and personal security, access to financial resources, and exercising civil liberties.

The 7 October 2023 attack and the subsequent war resulted in a big increase in the number of people receiving assistance under the Victims of Hostile Actions Law. It also forced more than 150,000 residents to evacuate their homes. In December 2023, 28 300 residents from southern Israel stayed in



hotels and 39 700 from northern Israel. By the end of May, there were still 5 350 residents from the south and 18 390 from the north living in hotels. Displacement for longer periods could impact employment, emotional well-being and family relations, amongst other factors (Weiss, 2024).



### 2. EDUCATION AND TRAINING

### 2.1 Trends and challenges

### Education strategy and the legal framework for education

A new 2030 plan to further boost education in technology in the context of lifelong learning was developed in early 2021. This plan builds on implementing innovative and experimental measures and lessons learned over recent years. These measures provide opportunities to make relevant changes, such as fostering broader acceptance of remote teaching and learning models, accelerating digitisation, and increasing the visibility of alternative/blended forms of teaching and learning. Through its development, Israeli counterparts must also address the other challenges in the system, as discussed above (ETF, 2023b).

With the aim of improving quality and equality in education, training and skills provision, the government significantly increased its education funding, including funding daycare centres for working parents, financial aid for tech-related studies, and starting salaries for teachers. This increase in funding was announced on 27 October 2022 (ETF, 2023b).

### **Education expenditure**

The education plan budget for 2024 (ILS 82.9 billion) is 21% larger than the budget in 2022 (ILS 67.8 billion). A particularly large budget increase goes to the Haredi and Hebrew state religious systems. The Taub Center flags this as a threat to the very existence of public education, as for many years, the education system in Israel has not compelled the Haredi system to meet the goals defined in the State Education Law. This trend might result in separation (Taub Center, 2023). The Taub Center (2023) warns: 'In the long term, the weakening of the public education system will contribute to social disintegration, greater national and religious extremism, and an unravelling of frameworks that currently unite Israeli society' (p. 252).

Total government expenditure on public education in Israel is lower than the OECD average (2024c). Israel spends USD 11 111 annually per full-time equivalent student, whereas the OECD average is USD 14 209. 6.5% of Israel's GDP is spent on education; this is higher than the OECD average of 4.9%.

Teacher salaries are the largest expenditure category in formal education. The salary for upper secondary teachers with the most common qualification and 15 years of experience is USD 39 321 (adjusted for purchasing power), which is lower than the OECD average of USD 53 456 (OECD, 2023b).

### Access, participation, and early school leaving

Compulsory education in Israel begins at the age of 3 and ends at the age of 17. Early childhood education starts relatively early, with daycare centres for children from 0 to 3 years old and preschool for children from 3 to 5 years old. In addition, 69% of 2-year-olds are enrolled. This increases to 100% of 3-year-olds and then decreases to 96% of 5-year-olds. The Taub Center (2023) reports a staffing crisis, which prevents the expansion of early childhood education and an improvement in the child-to-staff ratio.

35% of 15 to 19-year-olds are enrolled in general upper secondary education, 24% in vocational upper secondary education, 3% in lower secondary programmes and 5% in tertiary programmes. 14% of 25 to 34-year-olds have a VET qualification as their highest level of attainment: 4% at upper secondary level and 10% at short-cycle tertiary level. In Israel, 9% of young adults have not attained an upper secondary qualification.

The Statistical Annex to this report shows a quite stable figure of educational attainment over the past few years, with 20.5% of the total population aged 15+ having a low educational attainment, 39.7%



having a medium educational attainment, and 39.8% having a high educational attainment. Women have higher levels of education than men, with 43.8% and 35.7% respectively having high educational attainment. The 'Education at a Glance' report (OECD, 2024c) flags that the share of 25 to 34-year-olds without an upper secondary educational attainment increased by one percentage point between 2016 and 2023, to 9%, whereas this share decreased in 28 of the 35 OECD countries, with an average of 14%.

In Israel, like in many countries, women outperform men in terms of education, but the gender gap is much wider than the OECD average, with 54% of the women aged 25 to 34 having a tertiary qualification compared to only 36% of men (OECD, 2024a.)

The number of students with special educational needs increased by 18% between 2017 and 2022. In 2022, 21% of these students (62 011 in total) attended special education schools, 20% (60 576) were in special education classes within regular education, and 59% (178 046) were mainstreamed into regular classes in regular schools with additional support. The numbers for 2023are similar, with about 178 000 students with special needs mainstreamed into regular education and about 122 000 in separate classes or special education schools (Taub Center, 2023)

The Statistical Annex shows a decline in training/lifelong learning participation in the population aged 25 to 64. In 2015, 10% of the population aged 25 to 64 participated in training; this declined to 7.7% in 2023. Men (9.7%) participate more often in training than women (5.7%).

### **PISA** results

Israel is one of the 38 OECD member countries that participated in PISA 2022, the eighth cycle of the OECD research programme that began in 2000.

The OECD analysis of Israeli students' performance in PISA 2022 highlights that while several integrated policy measures have been implemented to address previous issues, there is still room for improvement. According to the report, Israel has made progress in its scores in reading and science, but showed a small drop in mathematics (OECD, 2023).

In mathematics, the main focus of PISA 2022, 15-year-olds in Israel scored an average of 458 points, compared to the OECD average of 472. In reading, Israeli 15-year-olds scored an average of 474 points, slightly below the OECD average of 476. Similarly, in science, the average score for Israeli students was 465 points, compared to the OECD average of 485 (OECD, 2023).

The report also indicates that socioeconomic status accounts for 20% of the variance in mathematics performance in Israel, compared to the OECD average of 15%. Girls outperform boys in reading, with a statistically significant difference of 23 points, while boys outperform girls in mathematics by 11 points. The average difference between advantaged and disadvantaged students in mathematics is 124 points, compared to the OECD average of 93. In reading, the average difference is 118 points, compared to the OECD average of 89. In science, the average difference is 120 points, compared to the OECD average of 91 (OECD, 2023).

Overall, students in the Israeli education system rank lower in the OECD PISA exams for 15-year-olds, revealing significant disparities between children from high and low socioeconomic backgrounds, as well as between ultra-Orthodox Jewish / Arab-Israeli children and others (OECD, 2023).

### Young people not in employment, education or training (NEETs)

The statistical Annex shows a slight decline in the number of NEETs in the population aged 15 to 29. In 2023, the proportion was 16.2%, compared to 16.6% in 2022 and 18.4% in 2021. There is a higher percentage of female NEETS (17.4%) than males (15.2%). The high share of NEETs in Israel is explained by the mandatory military service between the ages of 18 and 21. (OECD 2023b, 'Israel Country Note').



### 2.2 Initial VET and adult learning

### Strategic and legal framework for initial VET and adult learning

There is no specific strategic framework for VET and adult learning. The vocational education system is divided between vocational training and technology education, with no clear-cut distinction between them. Neither system is academic, and both award non-academic diplomas. Technology education generally focuses on knowledge-intensive areas and produces practical engineers and technicians. In contrast, vocational education focuses on more 'traditional' economic sectors such as manufacturing, construction, motor-vehicle repair, caregiving, and hair and beauty (ETF, 2023b).

In January 2021, a joint project was established between the State of Israel (at that time, the Labor Branch), employers (the Socioeconomic Forum established by the Israeli Presidency of Business Organisations) and the workers (Histadrut). This joint project was initiated to address recommendations provided by the Israel Democracy Institute. Flug, Aviram-Nitzan, Kedar and Hirsh (2024) conclude that important progress has since been made.

- The Employers and Human Capital Development Administration for integrative professional training has been established. This is a joint initiative of the Socioeconomic Forum and the Labor Branch.
- The VET Department (now under the Ministry of Labour) promotes the involvement of employers in the vocational committees that determine the content of training programmes.
- The VET Department and the Employers' Administration have expanded the scope of the training programmes by introducing an on-the-job training model.
- The Labor Branch has introduced a model of results-based funding for training programmes based on employers' involvement and the results of the training programme.
- The enrolment of specific target groups into training programmes has been promoted in cooperation with employers.

Flug et al. (2024) also conclude that more work needs to be done to:

- promote training programmes for employed people in light of lifelong learning, and
- reform the system of training programmes to better anticipate changes in the labour market.

### **VET governance and financing arrangements**

VET governance is centralised under the Ministry of Education (MoE) – which covers 90% of VET students – and the Ministry of Labour. Both ministries collaborate with the Manufacturers' Association of Israel (MAI). A formal system of social partnership is lacking, but employers are represented through the MAI's frequent involvement in VET policy development and reform activities. Employers participate in decision-making on skills as part of education and training reforms. Vocational training in Israel is the remit of the labour-focused bodies operated by the Ministry of Labour, which includes the Government Institute for Training in Technology and Science (MAHAT) (ETF, 2023b).

Most vocational training courses, which the Ministry of Labour oversees, fall under the remit of the Vocational Training and HR Development Division. It focuses on providing employment opportunities for the weaker socioeconomic strata of society. Technological education for adults falls under the auspices of the National Institute for Technological Training, a division of the Ministry of Labour, whereas grades 13 and 14 are under the supervision of the post-secondary technological education branch (ETF, 2023b).

The government, through local authorities, provides the main funding for TVET under the Ministry of Education. The state's multi-year budgets for technology education are set out in government decisions through budget agreements with the Ministry of Finance. TVET schools under the Ministry of Labour have a separate budget. Budget allocations are made in accordance with the principle of equality, but they are also based on each college's results and performance. In addition, increased



budgets are earmarked for training specific groups, such as Bedouin and Haredi populations (ETF, 2023b).

The National Technical and Vocational Education and Training (TVET) Committee is a mechanism established in 2010 to improve the governance of education and training. It is a platform for exchange involving all stakeholders, such as policymakers, TVET providers and trade unions (ETF, 2023b).

### Qualifications, validation and recognition

A government resolution adopted in 2015 provided the legal basis to begin developing a national qualifications framework (NQF). The INQF has been developed but has not yet been adopted, and its institutional arrangements are still to be discussed in detail (ETF, unpublished).

For now, the NQF Working Group (WG) undertakes the technical work. Chaired by the Ministry of Education, its other member bodies are the Ministry of Labor, the Ministry of Defence, the Council for Higher Education (CHE), the Ministry of Economy and Industry, the Ministry of Justice and the Central Bureau of Statistics (ETF, unpublished).

The NQF WG advises and updates the Inter-Ministerial Steering Committee (IMSC), which is chaired by the Prime Minister's Office and includes the above ministries and agencies plus the Civil Service Commissioner's Office, the Israel Defense Forces (IDF) and the National Economic Council. The IMSC provides strategic direction and reports to ministers; it has a mandate to adopt proposals related to the establishment of the NQF (ETF, unpublished).

The work on the INQF continues. In September 2024, a TAIEX (Technical Assistance and Information Exchange) workshop on 'How to write learning outcomes in the vocational sector' took place.

No national system for validation exists yet, but its establishment is an aim of the NQF, included in Decision 2 of the draft resolution. There would be ample scope to use validation – and so return on the 'investment' of building such a system – to certify the skills of the many adults engaged in informal learning, such as with private providers or in Ministry-run courses, and to recognise the skills of people who have completed their military service (ETF, unpublished).

Validation would be facilitated by adopting modular curricula and qualification units, both defined in the learning outcomes (ETF, unpublished).

### Quality and quality assurance

The Ministry of Education is responsible for ensuring the maximum efficiency and relevance of all technology and vocational courses and that they meet the needs of the market. Regarding the availability and adequacy of quality-assurance arrangements, measures, and practices, the Ministry's National Authority for Measurement and Evaluation in Education (RAMA) unit deals with the entire education system. It creates and administers external national student assessments under the supervision of chief inspectors and advisory committees, which include business and union representatives. This supervised system should ensure high-quality higher education and vocational certificates. Students under the Ministry of Labor are assessed under one of three models: practical, theoretical, or combined practical and theoretical (ETF, 2020).

The Ministry of Education and the Ministry of Labor, in consultation with various bodies, are responsible for setting quality standards for providers' learning environments and learning outcomes. Minimum thresholds are in place for the accreditation of providers (ETF, 2020).

Ministries are responsible for curricula, examinations, and qualifications, and they strive to increase employers' involvement in determining the skills needed in the labour market. Specialists on Ministry of Education committees develop curricula and ensure their quality. A school may determine approximately 30% of its curriculum. The Ministry of Labor updates its youth and adult curricula every year, based on market-demand forecasts (ETF, 2020).

Employers participate in developing courses and accreditation, which includes writing curricula, vocational training and accreditation relevant to the labour market. Professional committees on which



employer representatives sit, have been set up within the Ministry of Education's Accreditation Department, with the aim of making accreditation labour-market-relevant. In 2016, committees were formed for industry, tourism and vehicles. However, the employers' association Histadrut and some sectors are calling for the education and training system to respond/adapt better to the dynamic nature of the world of work and provide people with the necessary skills and abilities. To do this, mechanisms must be created to identify the needs, professions and skills of the future (ETF, 2020).

An important role in supporting schools to ensure quality education is that of the National Superintendent under the Ministry of Education. The National Superintendent ensures the smooth operation of the education system and encourages its continuous improvement (Ministry of Education of the State of Israel, nd).

### **Work-based learning arrangements**

In 2021, Israel's Ministry of Economy and Industry (Labour Branch) joined the European Alliance for Apprenticeships network through a national (governmental) 'commitment'. Like all European Alliance for Apprenticeships (EAfA) members, it wishes to keep abreast of developments in EU Member States and other participating countries, learn from their experiences and participate in peer-learning exchanges (ETF, 2023b).

Like all members of EAfA, Israel can use apprenticeship support services, knowledge sharing (pillar 1) and networking activities (pillar 2), but is not eligible for 'bench learning' (pillar 3), which is currently limited to EU Member States and not open to EFTA or candidate countries. An Israeli delegation joined the High-level Seminar for the European Alliance for Apprenticeships Partner Countries on 13 and 14 October 2022. Due to the start of the war, the delegation had to cancel its participation in 2023 (ETF, 2023b).

### Digital education and skills

Israel responded to the pandemic with an increased provision, at all levels of education, of digitised assessments/exams, digital tools at school, distance learning, hybrid learning, in-service and preservice digital training for teachers, and digital training for students (ETF, 2023b).

The European Skills and Jobs Survey (ESJS), conducted from November 2022 until January 2023, shows that almost all Israeli respondents (99%) indicated that they used computing devices in their work, compared to 85% in the EU. Some 41% of respondents indicated that new digital technologies were implemented in their workplace over the last 12 months, and 22% of respondents operated computerised machinery in the workplace, compared to 39% in the EU. In addition, 31% of respondents learned to use a new computer program; this was 36% in the EU (ETF, 2023a).

The OECD Going Digital Toolkit<sup>1</sup> shows countries' digital development. Israel's strongest indicators are:

- 'ICT venture capital investment', with 2.2% of GDP compared to a 0.1% OECD average;
- 'R&D in information industries', with 2.71% of GDP compared to an 0.4% OECD average; and
- 'Information industries' employment share', with 6.61% compared to a 3.67% OECD average.

One of the indicators where Israel lags behind is 'Public spending on active labour market policies', with 0.11% of GDP compared to a 0.45% OECD average, but this is also a fast-changing indicator and is increasing. Another fast-changing indicator, even if on the decline, is 'Top-performing students in science, maths and reading', at 15.1%, which is still higher than the 13.7% OECD average.

<sup>&</sup>lt;sup>1</sup> Israel | Countries | OECD Going Digital Toolkit



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### Statistics on education and training

The Central Bureau of Statistics (CBS) has a mandated responsibility for collecting, analysing and disseminating information on the majority of Israel's official statistics in areas such as geodemographics, economics, and social and general conditions of the country. It has adopted the European Framework for Quality Management and follows international and European quality standards (IMF, 2024). It disseminates its analysis and findings to a wider institutional set-up in Israel and to the OECD (as a member country) and to all other EU, international and regional partners. This national institution provides key, dependable education statistics on both initial and continuing education. All areas relating to the status of the education management information system (EMIS) and the VET Management Information System are presented and analysed, and graduates of education and training are tracked. The CBS's data is available to a variety of target groups and for various uses (Central Bureau of Statistics (www.gov.il)).



### 3. LABOUR MARKET AND EMPLOYMENT

### 3.1 Trends and challenges

### **Labour market characteristics**

Israel's labour market is characterised by a dual economy. On one hand, there are highly competitive industries, especially the dynamic high-tech sector. On the other hand, there are low-productivity, low-wage sectors that employ the majority of Israelis. The high-tech sector alone represents approximately 12% of total employment and contributes 15% to the GDP (OECD, 2023c). The service sector is the biggest contributor to the GDP (see Statistical Annex).

The labour market has recovered from COVID-19 more quickly than other OECD countries. Data shows an increase in employment rates among Arab and Haredi men over the past 2 years, and the same applies to women (58.3%, see statistical Annex), resulting in the highest employment levels ever (Bank of Israel, 2024). Still, the labour-market outcomes of the Haredi remain weak, which can be explained by the education system (where Haredi boys follow little of the core curriculum) and community-specific incentives that discourage them from participating in the labour force (OECD, 2023c).

Just before the 7 October 2023 attack, the unemployment rate was low, at 3.4% (Weiss, 2024). The unemployment rate increased immediately after the attack to 20.2% in October 2023. This was mainly because people were temporarily absent from work due to military reserve duty or sectors that closed immediately after the attack. This percentage subsequently decreased quickly to 5% in May 2024 (Bank of Israel, 2024).

The statistical Annex shows that the unemployment rate in 2023 was higher for the population with low educational attainment (5.5%) than for the population with medium (4%) or high (2.6%) educational attainment.

The impact of the 7 October 2023 attack and the subsequent war varied across economic sectors. The construction, accommodation and food services sectors were the hardest hit, with employment in these areas dropping by over 40% in the first month following the attack. The decline in the construction sector was primarily due to Palestinian workers being barred from entering the country and Israeli Arabs either unwilling to work or not being hired by employers. In the accommodation and food services sector, the sharp decrease in both foreign and local tourists led to significant job losses. Recovery in this sector has been much slower compared to the construction sector (Weiss, 2024).

Wages in Israel are increasing (Weiss, 2024). Israel is the only OECD country whose average real wage has increased since 2019. Despite this increase in wages, there is still a big gender wage gap of 25.4% between the median full-time earnings of men and women, much higher than the OECD average of 11.6% (OECD, 2024). There is also a labour income gap between Arabs and Haredi and the Non-Haredi Jewish population. The wage gap between Arabs and Jews has been widening since 2000 (OECD, 2023c).

The ESJS (ETF, 2023a) shows that for every ten employees, almost four (37%) are considered overqualified, and nearly one (8%) in ten are underqualified. Overqualification affects women (44%) more often than men (31%). 32% of Israeli employees with at least upper secondary education indicate that their job requires their field or a related field of education, while 25% of respondents indicated that their job exclusively requires their field of study.

Participation in platform work is low in Israel, with 1.51 people per 100,000 inhabitants (ETF, 2024).

### Statistics on the labour market and employment

The Central Bureau of Statistics (CBS) has a mandated responsibility for collecting, analysing and disseminating information on the majority of Israel's official statistics in areas such as geo-



demographics, economics, and social and general conditions of the country. It has adopted the European Framework for Quality Management and follows international and European quality standards (IMF, 2024). It disseminates its analysis and findings both to a wider institutional set-up in Israel and to the OECD (as a member country), as well as to all other EU, international and regional partners.

The Taub Center publishes two reports per year covering labour-market and employment statistics, among others:

- 'A Picture of the Nation' in June and
- the 'State of the Nation Report' in December.

The Bank of Israel also publishes frequent updates on the labour market and employment statistics.

### 3.2 Employment policy and institutional settings

### Strategy and legal framework in employment policy

Israel's Ministry of Welfare and Social Affairs is the government department responsible for social services and matters related to employment. The Ministry of Labour supervises the Israeli Public Employment Services (IES), which works in tandem with the National Insurance Institute (BTL). BTL is chiefly involved with benefit recipients, including a division dedicated to employment for people with disabilities. There is a notable separation in addressing the needs of unemployment and income support beneficiaries versus non-beneficiary populations like NEETs, who fall under the Ministry of Welfare and Social Services. Youth initiatives are driven by the Institute for Technological Education under the Ministry of Labour alongside the Ministry of Education (ETF, 2023b).

The Public Employment Service (PES) plays an active role in getting welfare recipients into employment. The Israeli Employment Service is a statutory corporation established under the Employment Service Law of 1959. This law was introduced after Israel joined the International Labour Treaty, compelling member states to establish state employment services, including free placement services for workers and employers alike. The key role of the Israeli PES is to provide services that link job seekers with employers looking to hire workers (Employment Service Law of 1959, Article 2). The PES cooperates with other bodies on vocational training and guidance (ETF, 2023b).

### **Initiatives to boost employment**

Israel's labour market has performed well in recent years, with low unemployment rates. Israel's compulsory education, strict restrictions on the employment of teenagers, and compulsory military service mean that most Israeli young people are in education, training, employment or military service.

The Israeli tax system, in combination with the short duration of unemployment benefits, also contributes to low unemployment rates. However, this also seems to result in higher skills mismatches, as it gives strong incentives to find a job quickly (OECD, 2023c). Israel's ALMPs focus on specific targeted groups known to have low participation rates in the labour market. Most ALMPs are developed and implemented outside the government ministries. According to the OECD (2023c), public spending on ALMPs in Israel is particularly low compared to international standards.

In 2020, the Minister of Labour, Social Affairs and Social Services presented the final report of the Committee for Employment Advancement Towards 2030. The Committee set employment targets for different groups, aiming to increase the employment rate for Haredi men from 50.2% in 2018 to 65-79% in 2030; for Arab women, the aim is to increase from 38.2% in 2018 to 53% in 2030. The aimed increase for Haredi women is from 76.1% to 81% and for Arab men from 76.3% to 83%. The Committee also set targets to increase the annual nominal monthly wage for these groups. As recommendations to achieve these targets, the Committee proposes:

improving vocational and technological training for adults;



- setting up a platform with accessible information, guidance and diagnostics;
- reviewing and relaxing the framework of labour laws; and
- designing employment programmes for targeted groups (The Employment 2030 Committee, 2020).

### Initiatives to increase the capacity of the public employment services

The Israeli PES have a limited budget, and the main group it serves is those seeking unemployment benefits. Israel's policy in recent years has been to establish public-funded private employment centres for targeted groups of employees, including Arabs and ultra-Orthodox Jews. Due to all the measures undertaken by the government in the last 2 years, there has been an increase in employment placements (alongside a drop in vocational training due to the lockdowns), and this increase may be expected to continue throughout 2023 (ETF, 2023b).

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# STATISTICAL ANNEX - ISRAEL

The Annex includes annual data from 2015, 2019, 2020, 2021, 2022 and 2023 or the last available year.

Relative size of youth population   24.5   25.0   25.1   25.2   25.2   25.2   26.2   26.2   26.2   26.3   26.4		Indicator		2015	2019	2020	2021	2022	2023
Relative size of youth population (agegroup 15-24 and denominator and (age group 15-24 and denominator and (agegroup 15-24 and denominator and properly and the properly and t	1	Total population (in thou	ısands)(1)	8 380.1	9 054.0	9 215.1	9 371.4	9 557.5	9 756.7
3 GDP growth rate (%)	2	Relative size of youth population (age group 15-24 and denominator		24.5	25.0	25.1	25.2	25.2	25.3
Gross value added by sector (%)   Services   68.5   70.9   71.8   72.4   M.D.   N.	3			2.5	4.2	-1.9	8.6	6.8	2.0
by sector (%) Services 68.5 70.9 71.8 72.4 M.D. M.D. Services 68.5 70.9 71.8 72.4 M.D. M.D. M.D. M.D. (as% of GDP)  Public expenditure on education (as% of total public expenditure)  Public expenditure on education (as% of total public expenditure)  Adult literacy (%)  Educational Low <sup>25</sup> 23.0 21.4 20.6 20.5 20.4 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2		Cross value added	Agriculture	1.4	1.3	1.3	1.3	M.D.	M.D.
Public expenditure on education   5.8   6.1   6.5   6.6   6.5   6.6   6.5	4		Industry	19.8	18.6	18.1	17.2	M.D.	M.D.
Cas% of GDP   S.B.		, ,		68.5	70.9	71.8	72.4	M.D.	M.D.
7 Adult literacy (%) Educational Low® 23.0 21.4 20.6 20.5 20.4 2 attainment of total population (aged 15+) (%) Early leavers from education and training (aged 18-24) (%)  Total NET enrolment rate (%)  Share of VET students in upper secondary education (ISCED level 3) (%)  Low achievement in reading, mathematics and science – PISA (%) (%) (%)  Activity rate (aged 15+) (%)  Female 15+ (%)  Total 10- Total Net enrolment rate by educational attainment (aged 15+) (%)  Early leavers from education (ISCED level 3) (%)  Early leavers from education	5	(as% of GDP)		5.8	6.1	6.5	6.6	6.5	M.D.
Educational attainment of total population (aged 15+) (%)   Medium**   38.7   38.8   39.7   39.8	6			18.1	18.1	15.7	18.4	M.D.	M.D.
## attainment of total population (aged 15+) (%)   Early leavers from education and training (aged 18-24) (%)   Total	7	Adult literacy (%)		M.D.	M.D.	M.D.	M.D.	M.D.	M.D.
Secondary   Share of VET students in upper secondary   Share of VET students in upper secondary   Science   PISA (%) (%) (%) (%) (%) (%) (%) (%) (%) (%)			Low <sup>(2)</sup>	23.0	21.4	20.6	20.5	20.4	20.5
Population (aged 15+) (%)	8		Medium <sup>(3)</sup>	38.7	38.8	39.7	40.4	39.8	39.7
9 education and training (aged 18-24) (%)  10			High <sup>(4)</sup>	38.2	39.7	39.7	39.1	39.8	39.8
training (aged 18-24) (%)  Total NET enrolment rate (%)  Total NET enrolment rate (%)  Total NET enrolment rate (%)  Upper secondary  Share of VET students in upper secondary education (ISCED level 3)  Low achievement in reading, mathematics and science – PISA (%) (%)  Low achievement in reading, mathematics and science – PISA (%) (%)  Activity rate (aged 15+) (%)  Total  Inactivity rate (aged 15+) (%)  Employment rate (aged 15+) (%)  Employment rate by educational attainment (aged 15+) (%)  Employment rate (aged 15+) (%)  Employment by sector (%) (%)  Employment rate (aged 15+) (%)  Employment by sector (%) (%)  Employment rate (aged 15+) (%)  Employment by sector (%) (%)  Employment by sector (%) (%)  Employment rate (aged 15+) (%)  Employment by sector (%) (%) (%)  Employment by sector (%) (%) (%)  Employment rate (aged 15+) (%)  Employment by sector (%) (%) (%) (%)  Employment by sector (%) (%) (%) (%) (%) (%) (%) (%) (%) (%)		_			6.1	5.6	5.1	5.3	5.1
training (aged 18-24) (%)  Total NET enrolment rate (%)  Share of VET students in upper secondary  11	9		Male	10.2	8.4	7.2	6.8	6.9	6.6
Total NET enrolment rate (%)   Upper secondary   94.7   95.1   95.2   95.5   M.D.	ŭ		Female	4.8	3.7	4.0	3.4	3.7	3.4
Share of VET students in upper secondary   94.7   95.1   95.2   95.5   M.D.   M.D.   M.D.   Share of VET students in upper secondary education (ISCED level 3)   40.7   40.6   40.7   40.7   M.D.	10	Total NET enrolment	secondary	97.9	96.8	96.7	96.9	M.D.	M.D.
11   secondary education (ISCED level 3)   40.7   40.6   40.7   40.7   M.D.	10	. ,		94.7	95.1	95.2	95.5	M.D.	M.D.
Total   September   Septembe	11	secondary education (ISCED level 3)		40.7	40.6	40.7	40.7	M.D.	M.D.
13   Activity rate (aged 15+) (%)   Female   Socience		Low achievement in	Reading	26.6	31.1	N.A.	N.A.	29.6	N.A.
13   Activity rate (aged   15+) (%) (%) (%) (%) (%) (%) (%) (%) (%) (%	12		Mathematics	32.1	34.1	N.A.	N.A.	37.3	N.A.
Male	12		Science	31.4	33.1	N.A.	N.A.	32.1	N.A.
15+   (%)		Activity rate (aged	Total	64.1	63.5	61.8	61.8	63.3	63.5
Inactivity rate (aged   15+) (%)   Male   30.7   32.4   34.5   34.9   33.4   34.5   34.9   34.4   34.9   34.5   34.9   34.1   34.9   34.6   34.5   34.9   34.1   34.9   34.1	13		Male	69.3	67.6	65.5	65.1	66.6	66.9
Inactivity rate (aged 15+) (%)   Male   30.7   32.4   34.5   34.9   33.4   34.5   34.9   34.4   34.5   34.9   34.4   34.5   34.9   34.4   34.9   34.5   34.9   34.1   34.9   34		101) (70)							60.3
15+) (%)   Male   30.7   32.4   34.5   34.9   33.4   35.0   34.9   33.4   34.9   35.4   34.9   35.4   34.9   35.4   34.9   35.4   34.9   35.4   34.9   35.4   34.9   35.4   34.9   35.4   35.5   35.7   35.9   35.7   35.		, ,							36.5
Female	14								33.1
Employment rate (aged 15+) (%)   Male   65.7   65.1   62.6   61.8   64.0   66.5		1017 (10)							39.7
15+) (%)   Male   65.7   65.1   62.6   61.5   64.0   65.7   65.1   62.6   61.5   64.0   65.7   65.1   62.6   61.5   64.0   65.7   65.1   62.6   61.5   64.0   65.7   65.		Employment rate (aged							61.3
Employment rate by educational attainment (aged 15+) (%)   High <sup>(4)</sup>   76.5   76.5   75.1   74.9   76.7   76.7   76.7   76.5   76.5   75.1   74.9   76.7   76.7   76.7   76.5   76.5   75.1   74.9   76.7	15								64.5
Medium(3)   65.4   64.5   61.4   60.8   63.2   60.4   60.8   63.2   60.4   60.8   63.2   60.4   60.8   63.2   60.4   60.8   63.2   60.4   60.8   63.2   60.2   60.8   63.2   60									58.3
(aged 15+) (%)	40								27.4
Total   Caged 15+) (%)   Total   Total   Services   Caged 15+) (%)   Total   Caged 15+) (%)	16								64.0
17   Employment by sector (%) (6)   Industry   17.7   16.5   15.9   16.1   15.9     Services   81.2   82.5   83.1   83.0   83.3   83.0     18   Incidence of self-employment (%) (7)   12,6   12.3   12.4   12.4   12.8     19   Incidence of vulnerable employment (%) (8)   8,7   9.1   9.3   9.4   9.1     20   Unemployment rate (aged 15+) (%)   Total   5.3   3.8   4.3   5.0   3.8     Male   5.1   3.7   4.5   5.0   3.9     Female   5.4   3.9   4.1   4.9   3.6     Unemployment rate by educational attainment   Medium (8)   5.9   4.4   5.2   6.0   4.7		(ageu 15+) (%)							76.2
17    (%) (6)	17	Employment by sector	_						0.8
18 Incidence of self-employment (%) (7)         12,6         12.3         12.4         12.4         12.8           19 Incidence of vulnerable employment (%) (8)         8,7         9.1         9.3         9.4         9.1           20 Unemployment rate (aged 15+) (%)         Total         5.3         3.8         4.3         5.0         3.8           Male         5.1         3.7         4.5         5.0         3.9           Female         5.4         3.9         4.1         4.9         3.6           Unemployment rate by educational attainment         Low <sup>(2)</sup> 9.2         5.8         6.5         6.8         6.3           Medium <sup>(3)</sup> 5.9         4.4         5.2         6.0         4.7	17	(%) (6)							83.5
19   Incidence of vulnerable employment (%) (8)   8,7   9.1   9.3   9.4   9.1	18	Incidence of self-employ							12.8
Total   5.3   3.8   4.3   5.0   3.8		Incidence of vulnerable employment							9.1
Male		Total		5.3	3.8	4.3	5.0	3.8	3.4
(aged 15+) (%)     Female     5.4     3.9     4.1     4.9     3.6       Unemployment rate by educational attainment     Low <sup>(2)</sup> 9.2     5.8     6.5     6.8     6.3       21 educational attainment     Medium <sup>(3)</sup> 5.9     4.4     5.2     6.0     4.7	20								3.6
Unemployment rate by educational attainment   Low <sup>(2)</sup>   9.2   5.8   6.5   6.8   6.3	20	(aged 15+) (%)							3.2
21 educational attainment Medium <sup>(3)</sup> 5.9 4.4 5.2 6.0 4.7		Unemployment rate by							5.5
	21								4.0
(aged 15+) (%)   High <sup>(4)</sup>   3.8   2.9   3.2   3.8   2.5		(aged 15+) (%)	High <sup>(4)</sup>	3.8	2.9	3.2	3.8	2.5	2.6



	Indicator		2015	2019	2020	2021	2022	2023
22	Unemployment rate (aged 15-24) (%)	Total	9.3	6.7	7.9	7.8	6.9	6.0
		Male	8.9	6.1	7.6	7.5	7.2	6.2
		Female	9.7	7.2	8.2	8.0	6.6	5.8
	Proportion of people aged 15-24 not in employment, education or training (NEETs) (%)	Total	15.5	15.4	17.3	17.8	16.6	16.1
		Male	14.3	15.4	17.4	17.8	16.3	15.8
22		Female	16.7	15.5	17.1	17.8	16.9	16.4
23	Proportion of people aged 15-29 not in employment, education or training (NEETs) (%)	Total	15.6	15.3	18.0	18.4	16.6	16.2
		Male	13.1	14.2	16.9	17.4	15.3	15.2
		Female	18.2	16.5	19.2	19.4	18.0	17.4
24	Participation in training/lifelong learning (% aged 25-64) (9)	Total	10.0	9.2	8.6	8.3	8.1	7.7
		Male	11.6	11.3	10.8	10.4	10.2	9.7
		Female	8.4	7.1	6.5	6.1	6.2	5.7
25	Human Development Index		0.899	0.909	0.906	0.911	0.915	M.D.

Last update: 16/09/2024

### Sources:

Indicators 1, 2, 3, 4, 5, 6, 7: The World Bank, World Development Indicators database

Indicators 10, 11: UNESCO, Institute for Statistics

Indicators 8, 9, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24: CBS (LFS)

Indicator 12: OECD PISA 2018 Results (Volume I) Annex B1; OECD PISA 2022 Results (Volume I)

Indicator 25: UNDP

### Notes:

- (1) Estimation.
- (2) Low ISCED 0-2.
- (3) Medium ISCED 3-4.
- (4) High ISCED 5-8.
- (5) PISA: 2019 refers to 2018.
- <sup>(6)</sup> ETF calculations in 2021, Aggregation: Agriculture Sector A; Industry and Construction: Sectors B-F; Services: Sectors F-S. Total sum excluding Sector T (Households as employers). For 2022, we calculated the percentage for the whole period, excluding Sector T, in the Total sum, and including Sectors G-S for Services same as for 2021<sup>(7)</sup> self-employed incl. employers, own-account workers, contributing family workers, Kibbutz member workers and cooperative workers.
- (8) Expressed by own-account workers, Kibbutz member workers, cooperative workers and contributing family workers as a proportion of the total employed population.
- (9) Data referring to individuals studying today.

### Legend:

C = ETF calculations N.A. = Not applicable M.D. = Missing data



# **ANNEX: DEFINITIONS OF INDICATORS**

	Description	Definition
1	Total population (in thousands)	The total population is estimated as the number of people having their usual residence in a country on 1 January of the respective year. When information on the usually resident population is unavailable, countries may report legal or registered residents.
2	Relative size of youth population (age group 15-24) (%)	This is the ratio of the youth population (aged 15-24) to the working-age population, usually aged 15-64 (or 15-74 or 15+).
3	GDP growth rate (%)	Annual percentage growth rate of GDP at market prices based on constant local currency. Aggregates are based on constant 2010 US dollars. GDP is the sum of gross value added by all resident producers in the economy, plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources.
4	Gross value added by sector (%)	The share of value added from agriculture, industry and services. Agriculture corresponds to ISIC divisions 1-5 and includes forestry, hunting and fishing, as well as crop cultivation and livestock production. Value added is the net output of a sector after adding up all outputs and subtracting intermediate inputs. It is calculated without making deductions for depreciation of fabricated assets or depletion and degradation of natural resources. The origin of value added is determined by the International Standard Industrial Classification (ISIC), revision 3 or 4.  Industry corresponds to the International Standard Industrial Classification (ISIC), tabulation categories C-F (revision 3) or tabulation categories B-F (revision 4), and includes mining and quarrying (including oil production), and manufacturing, construction and public utilities (electricity, gas and water). Services correspond to ISIC divisions 50-99 and include value added in wholesale and retail trade (including hotels and restaurants), transport, and government, financial, professional and personal services such as education, healthcare and real estate services. Also included are imputed bank service charges, import duties, and any statistical discrepancies noted by national compilers, as well as discrepancies arising from rescaling.
5	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 (transfer to private households and enterprises). Both types of transactions together are reported as total public expenditure on education.
6	Public expenditure on education (as% of total public expenditure)	Public expenditure on education expressed as a percentage of total public expenditure.  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 (transfer to private households and enterprises). Both types of transactions together are reported as total public expenditure on education.
7	Adult literacy (%)	Adult literacy is the percentage of the population aged 15 years and over who can both read and write a short simple statement on their everyday life, and can understand it. Generally, 'literacy' also encompasses 'numeracy' – the ability to make simple arithmetic calculations.



	Description	Definition
8	Educational attainment of total population (aged 15+) (%)	Educational attainment refers to the highest educational level achieved by individuals expressed as a percentage of all persons in that age group. This is usually measured in terms of the highest educational programme successfully completed, which is typically certified by a recognised qualification. Recognised intermediate qualifications are classified at a lower level than the programme itself.
9	Early leavers from education and training (aged 18-24) (%)	Early leavers from education and training are defined as the percentage of the population aged 18-24 with at most lower secondary education who were not in further education or training during the 4 weeks preceding the survey. Lower secondary education refers to ISCED 1997 levels 0-2 and 3C short (i.e. programmes lasting under 2 years) for data up to 2013, and to ISCED 2011 levels 0-2 for data from 2014 onwards.
10	Total NET enrolment rate	Total number of students of the official age group for a given level of education who are enrolled in any level of education, expressed as a percentage of the corresponding population.
11	Share of VET students in upper secondary education (ISCED level 3) (%)	Total number of students enrolled in vocational programmes at a given level of education (in this case, upper secondary), expressed as a percentage of the total number of students enrolled in all programmes (vocational and general) at that level.
12	Low achievement in reading, maths and science – PISA (%)	Low achievers are 15-year-olds who are failing to reach level 2 on the PISA scale for reading, mathematics and science.
13	Activity rate (aged 15+) (%)	The activity rate is calculated by dividing the active population by the population of the same age group. The active population (also called the 'labour force') is defined as the sum of employed and unemployed people. The inactive population consists of all people who are classified as neither employed nor unemployed.
14	Inactivity rate (aged 15+) (%)	The inactivity/out-of-labour-force rate is calculated by dividing the inactive population by the population of the same age group. The inactive population consists of all people who are classified as neither employed nor unemployed.
15	Employment rate (aged 15+) (%)	The employment rate is calculated by dividing the number of employed people by the population of the same age group. Employed people are all people who worked at least 1 hour for pay or profit during the reference period, or were temporarily absent from such work. If a different age group is used, this should be indicated.
16	Employment rate by educational attainment (aged 15+) (%)	The employment rate is calculated by dividing the number of employed persons by the population of the same age group. Employed persons are all persons who worked at least 1 hour for pay or profit during the reference period, or were temporarily absent from such work. If a different age group is used, this should be indicated.  Educational levels refer to the highest educational level successfully completed. Three levels are considered: Low (ISCED level 0-2), Medium (ISCED level 3-4) and High (ISCED 1997 level 5-6, and ISCED 2011 level 5-8).
17	Employment by sector (%)	This indicator provides information on the relative importance of different economic activities with regard to employment. Data is presented by broad branches of economic activity (i.e. Agriculture/Industry/Services) based on the International Standard Industrial Classification of All Economic Activities (ISIC). In Europe, the NACE classification is consistent with ISIC.
18	Incidence of self- employment (%)	The incidence of self-employment is expressed by the self-employed population (i.e. employers + own-account workers + contributing family workers) as a proportion of the total employed population.



	Description	Definition
19	Incidence of vulnerable employment (%)	The incidence of vulnerable employment is expressed by own-account workers and contributing family workers as a proportion of the total employed population.
20	Unemployment rate (aged 15+) (%)	The unemployment rate represents unemployed people as a percentage of the labour force. The labour force is the total number of people who are employed or unemployed. Unemployed people comprise those aged 15-64 or 15+ who were without work during the reference week; are currently available for work (were available for paid employment or self-employment before the end of the 2 weeks following the reference week); are actively seeking work, i.e. had taken specific steps in the 4-week period ending with the reference week to seek paid employment or self-employment, or had found a job to start later (within a period of, at most, 3 months).
21	Unemployment rate by educational attainment (aged 15+) (%)	The unemployment rate represents unemployed people as a percentage of the labour force. The labour force is the total number of people who are employed or unemployed. Unemployed people comprise those aged 15-64 or 15+ who were without work during the reference week; are currently available for work (were available for paid employment or self-employment before the end of the 2 weeks following the reference week); are actively seeking work (had taken specific steps in the 4-week period ending with the reference week to seek paid employment or self-employment, or had found a job to start later (within a period of, at most, 3 months)). Educational levels refer to the highest educational level successfully completed. Three levels are considered: low (ISCED level 0-2), medium (ISCED level 3-4) and high (ISCED 1997 level 5-6, and ISCED 2011 level 5-8).
22	Unemployment rate (aged 15-24) (%)	The unemployment rate represents unemployed people as a percentage of the labour force. The labour force is the total number of people who are employed or unemployed. Unemployed people comprise those aged 15-24 who were without work during the reference week; are currently available for work (were available for paid employment or self-employment before the end of the 2 weeks following the reference week); are actively seeking work, i.e. had taken specific steps in the 4-week period ending with the reference week to seek paid employment or self-employment, or had found a job to start later (within a period of, at most, 3 months).
23	Proportion of people aged 15-24/15-29 not in employment, education or training (NEETs) (%)	The indicator provides information on young people aged 15-24 who meet the following two conditions: first, they are not employed (i.e. unemployed or inactive according to the ILO definition); and second, they have not received any education or training in the 4 weeks preceding the survey. Data is expressed as a percentage of the total population of the same age group and gender, excluding respondents who did not answer the question on participation in education and training.
24	Participation in training/lifelong learning (% aged 25-64)	Participants in lifelong learning refers to persons aged 25-64 who stated that they had received education or training in the 12 months preceding the survey (numerator). The denominator is the total population of the same age group, excluding those who did not answer the question on participation in education and training. The information collected relates to all education or training, whether or not it is relevant to the respondent's current or possible future job. If a different reference period is used, this should be indicated.
25	Human Development Index	The index is a summary measure of average achievement in key dimensions of human development: a long and healthy life, being knowledgeable and having a decent standard of living.



# ANNEX KEY DONOR PROJECTS IN EDUCATION, TRAINING AND EMPLOYMENT

As reflected on the EU Delegation to Israel website, the European Union (EU) and Israel have a long history of successful scientific and technological cooperation. The <u>Association Agreement</u> signed in Brussels on 20 November 1995, which entered into force in June 2000, provides the legal framework for EU-Israel relations. It establishes the framework for regular dialogue on scientific, technological, cultural, audiovisual and social matters. Israel is also part of the <u>European Neighbourhood Policy (ENP)</u> and is under the <u>European Neighbourhood Policy Action Plan</u>. There are 10 sub-committees, including on research, innovation, information society, education and culture. This successful cooperation has led to more than 5 000 joint research projects. Israel also has several agreements with the European Commission's Joint Research Centre. The EU and Israel have worked together to continue and further research cooperation, with a focus on mutual priorities such as the twin green and digital transitions, public health, and ground-breaking innovations. On 6 December 2021, an official agreement for Israel's accession to the Horizon Europe programme was signed. As a result, local bodies have been able to participate in all parts of the European R&D programmes on equal terms to those in EU Member States<sup>2</sup>.

Israel benefits from the <u>European Neighbourhood Instrument (ENI)</u>, which provides most of the funding under the <u>European Neighbourhood Policy</u>.

Israel is also part of <a href="Erasmus+">Erasmus+</a>, the EU's programme to support education, training, youth and sport. The Erasmus+ Office in Israel works closely with European Commission structures and the EU Delegation to raise awareness of the benefits of Erasmus programmes. The National Erasmus+ Office (NEO) gives huge support, particularly for VET, in expanding youth cooperation and ensuring that the NEO covers this part of the programme. It also works to create greater synergy between Erasmus+ and Horizon Europe. Israel has many bilateral agreements with EU Member States for joint projects in different sectors, including education and training for employment and inclusion. There is major interest from stakeholders to get more involved in the different Erasmus programmes.

<sup>&</sup>lt;sup>2</sup> https://www.eeas.europa.eu/delegations/israel\_en?s=200



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## **ABBREVIATIONS**

ALMP	Active labour market programmes
BTL	Israeli National Insurance Institute
CBS	Central Bureau of Statistics
EMIS	Educational management information system
ENI	European Neighbourhood Instrument
ESJS	European Skills and Jobs Survey
ETF	European Training Foundation
EU	European Union
GDP	Gross domestic product
ICT	Information and communication technology
IES	Israeli Public Employment Services
ILS	Israeli new shekel
IMF	International Monetary Fund
ISCED	International Standard Classification of Education
MoE	Ministry of Education
NEET	Not in employment, education or training
NEO	National Erasmus+ Office
NQF	National qualification framework
OECD	Organisation for Economic Cooperation and Development
PES	Public Employment Service
PISA	Programme for International Student Assessment
TVET	Technical and vocational education and training
UNESCO	United Nations Educational, Scientific and Cultural Organization
US	United States
VET	Vocational education and training



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