



The OECD's Views on Housing and Education in Israel

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Aaron Institute Conference, Herzliya
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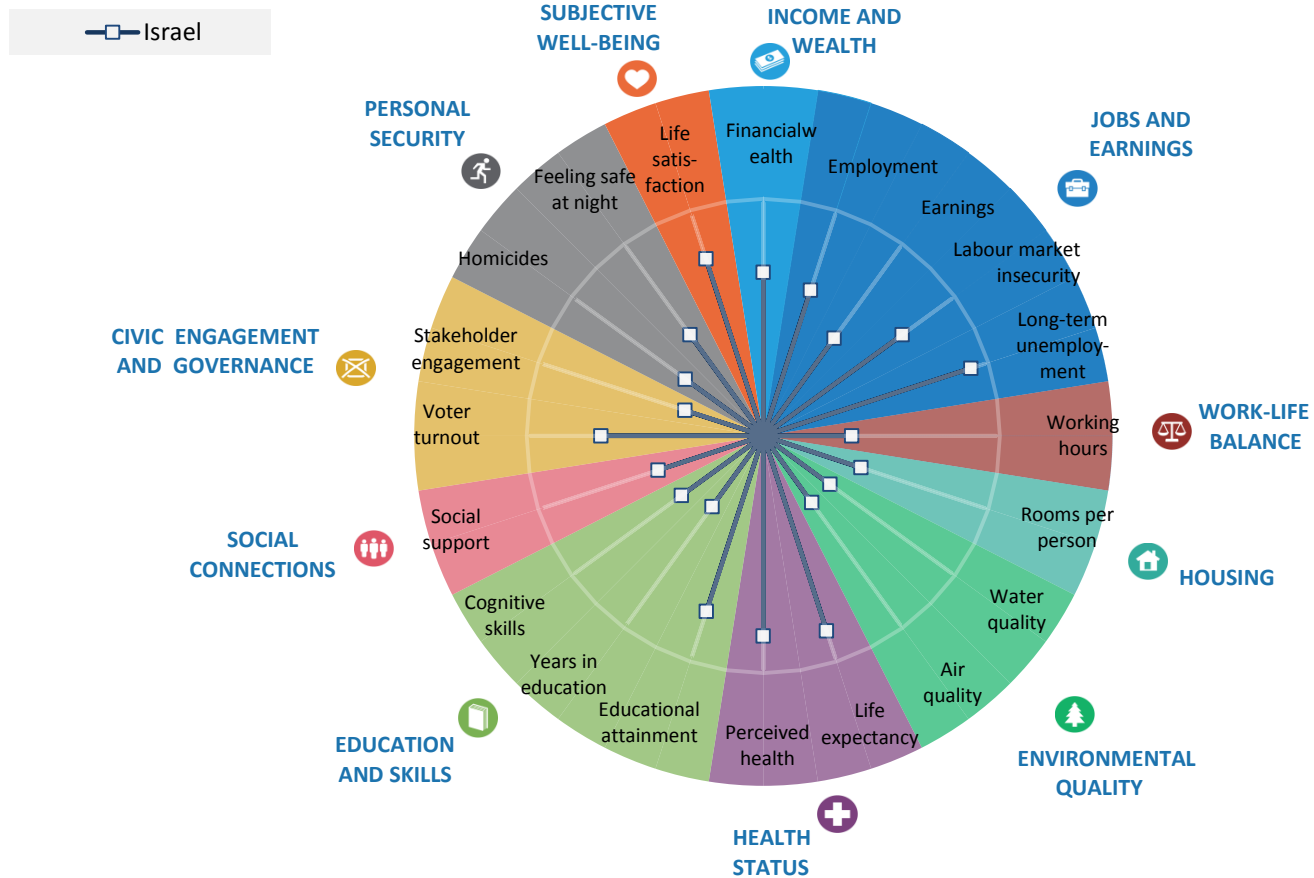


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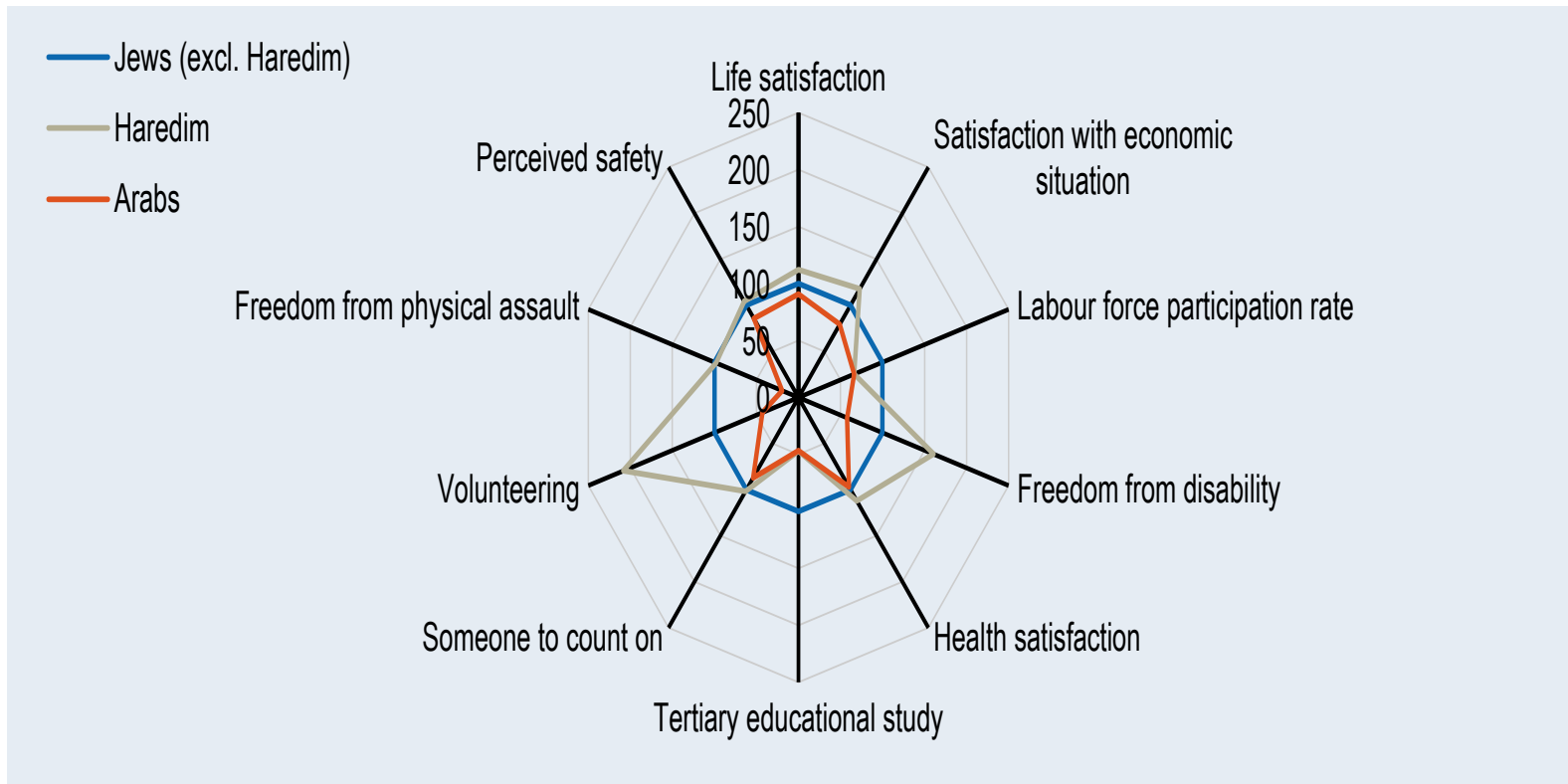


Well-being in Israel presents a mixed picture





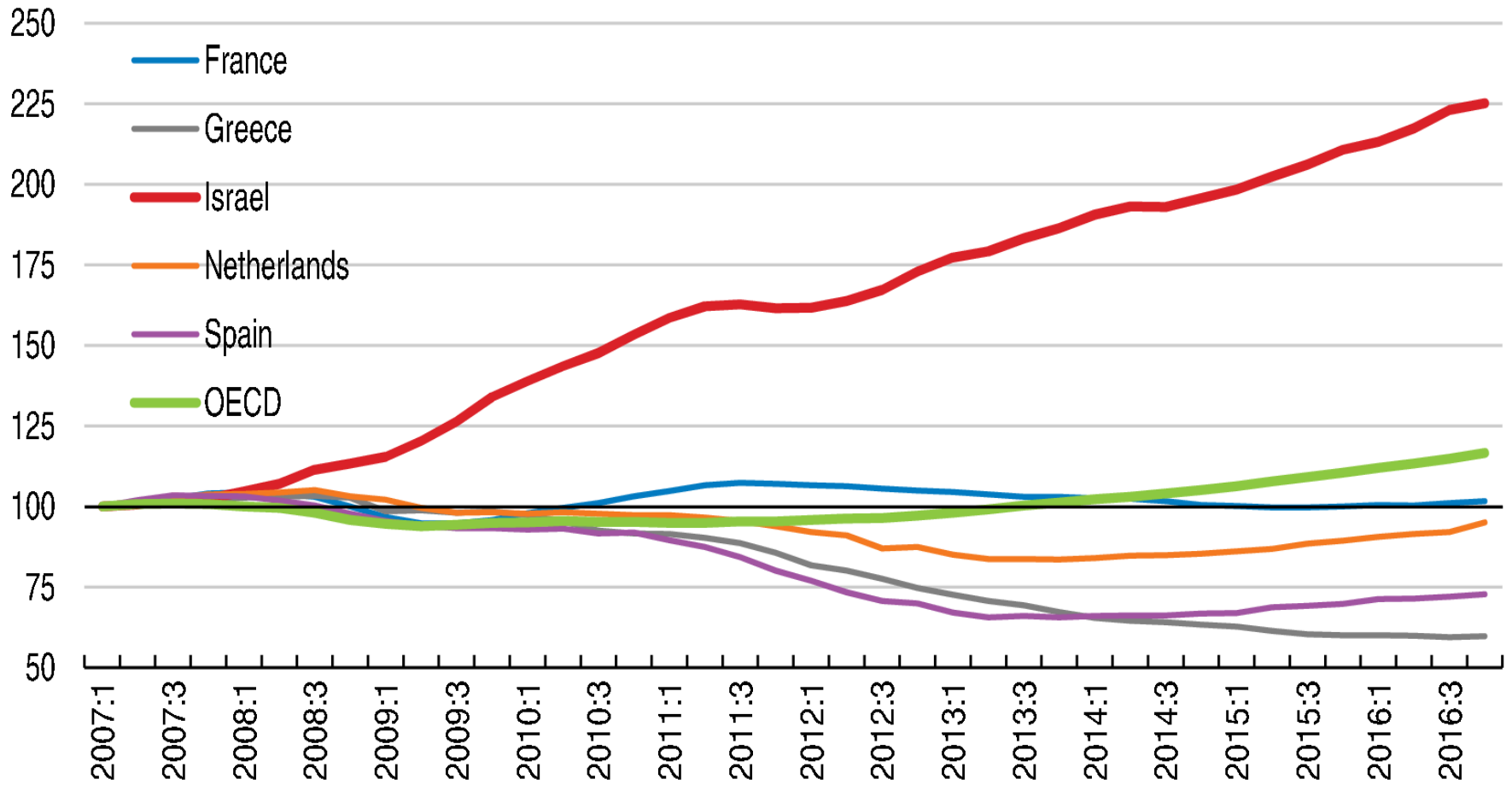
Well-being varies considerably across Israeli communities





Nominal house prices

Index 2007 Q1 = 100

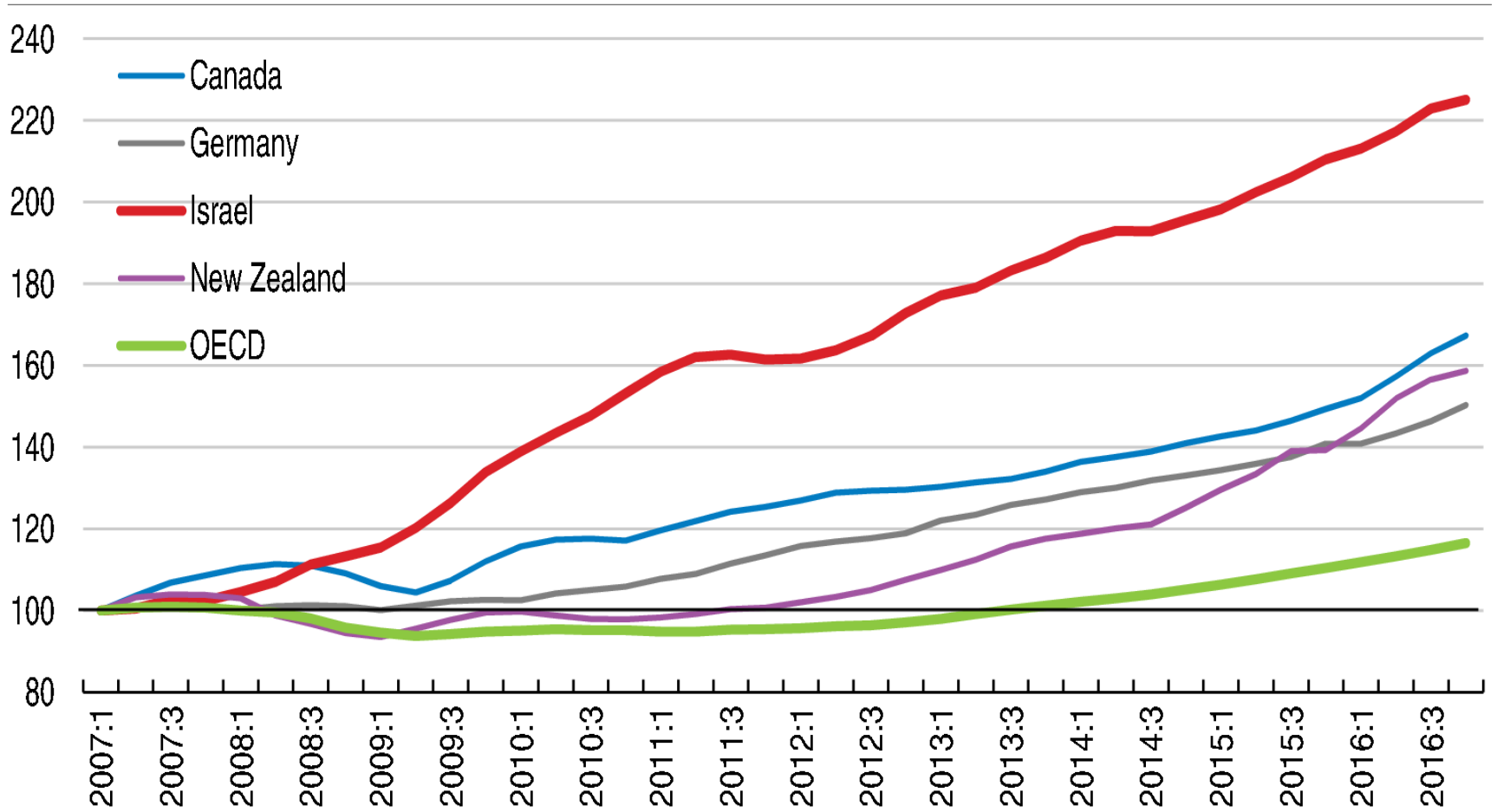


Source: OECD, House Prices database.



Nominal house prices

Index 2007 Q1 = 100

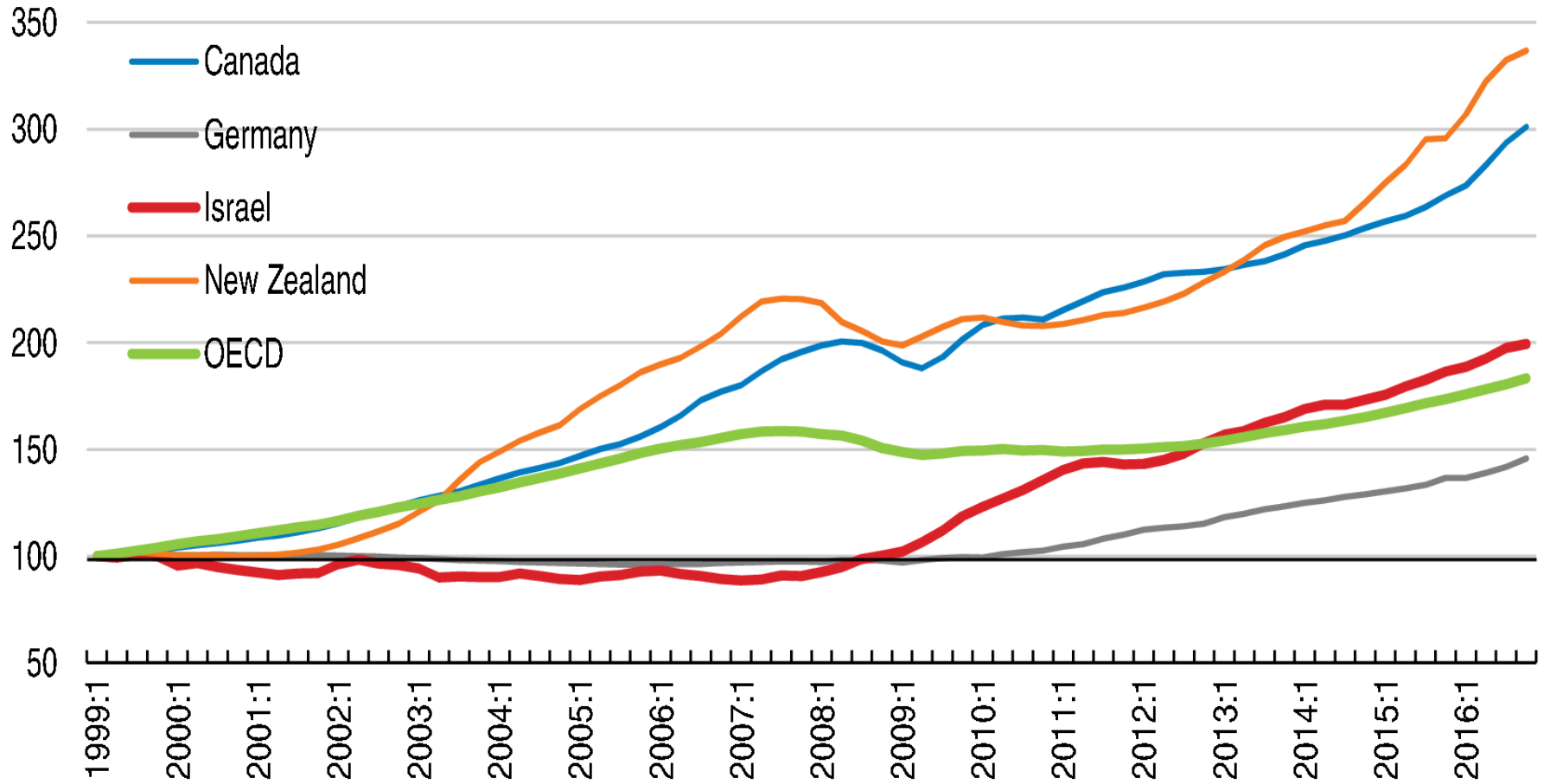


Source: OECD, House Prices database.



Nominal house prices

Index 1999 Q1 = 100

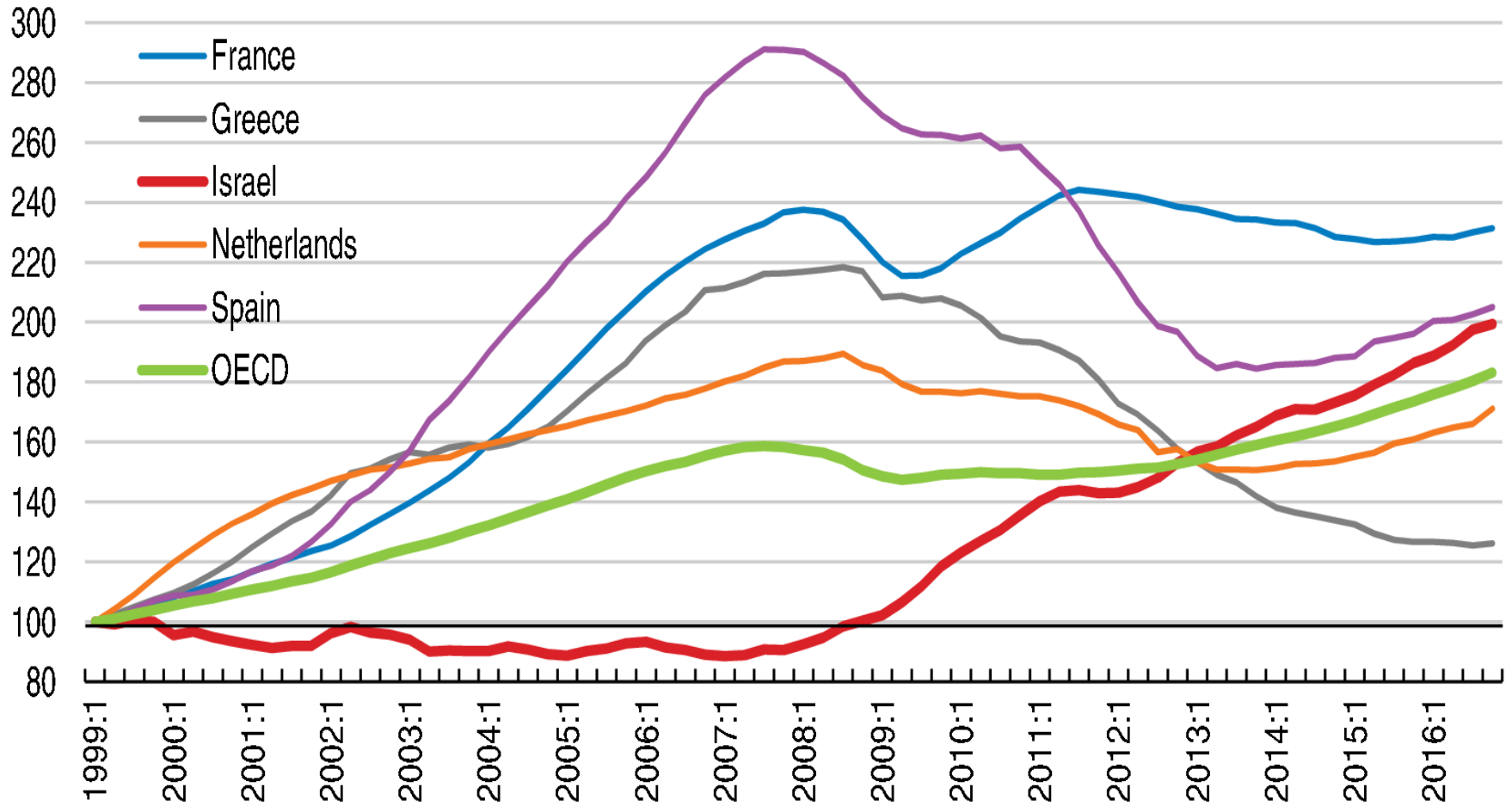


Source: OECD, House Prices database.



Nominal house prices

Index 1999 Q1 = 100

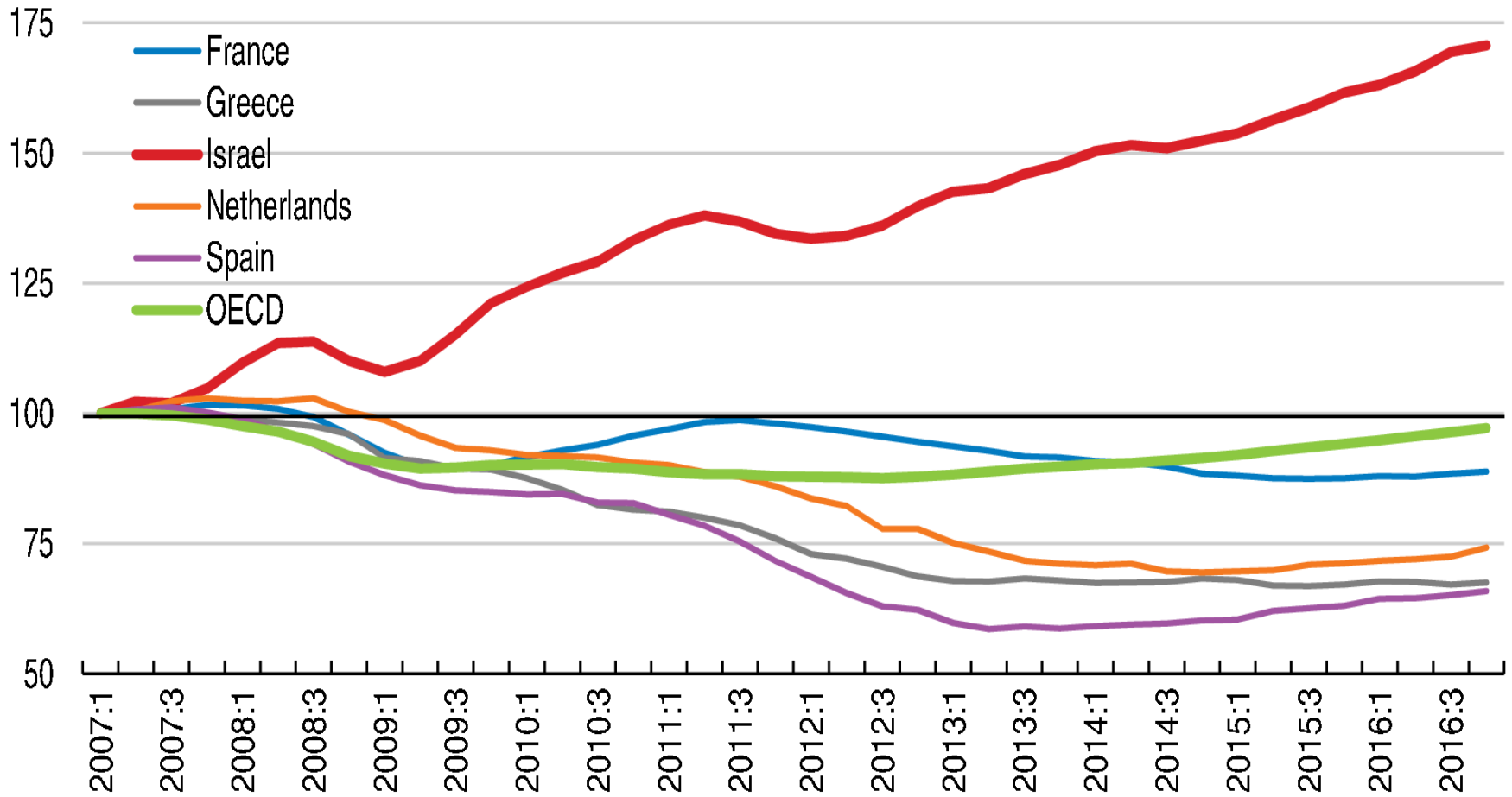


Source: OECD, House Prices database.



Price-to-rent ratios

Index 2007 Q1 = 100

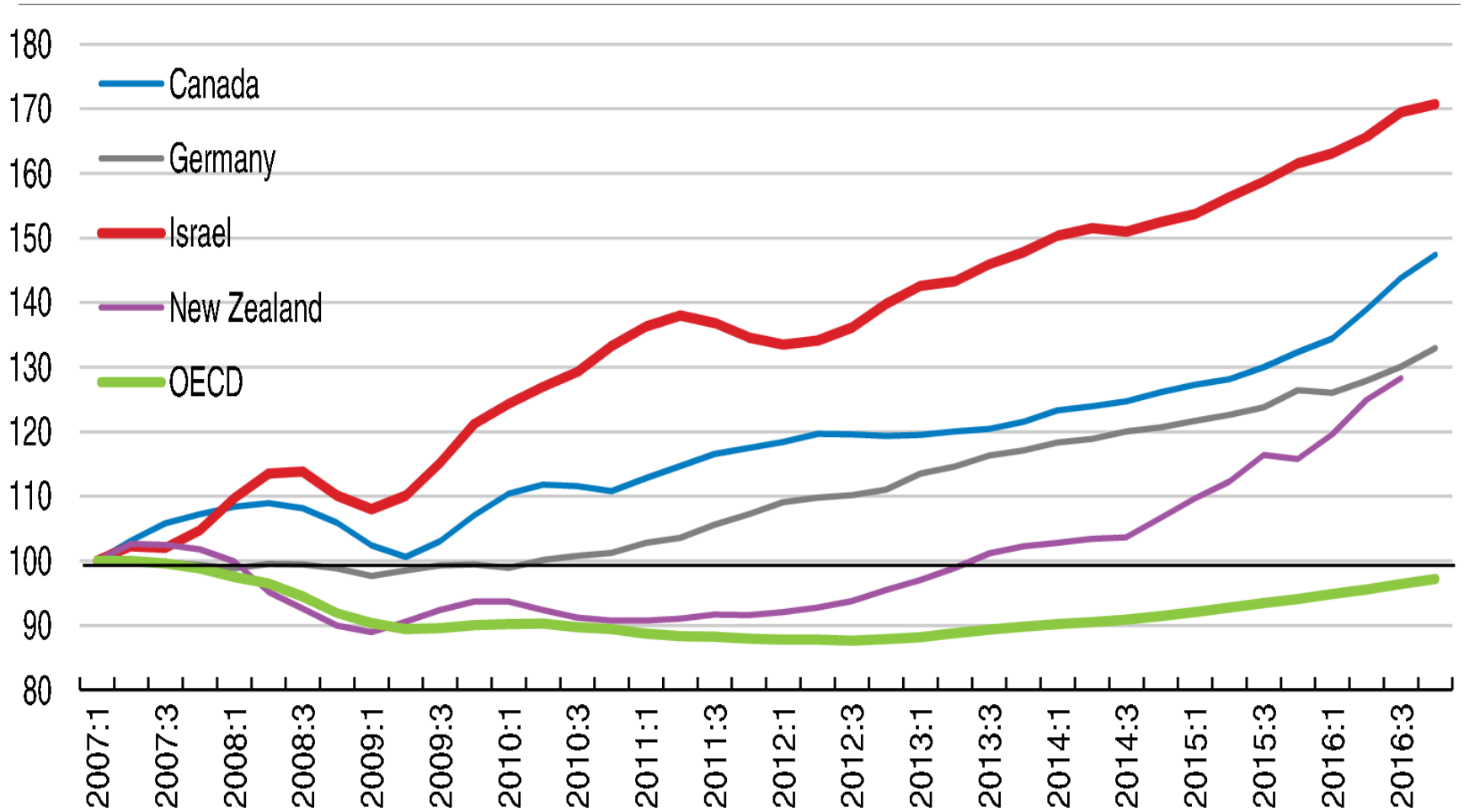


Source: OECD, House Prices database.



Price-to-rent ratios

Index 2007 Q1 = 100

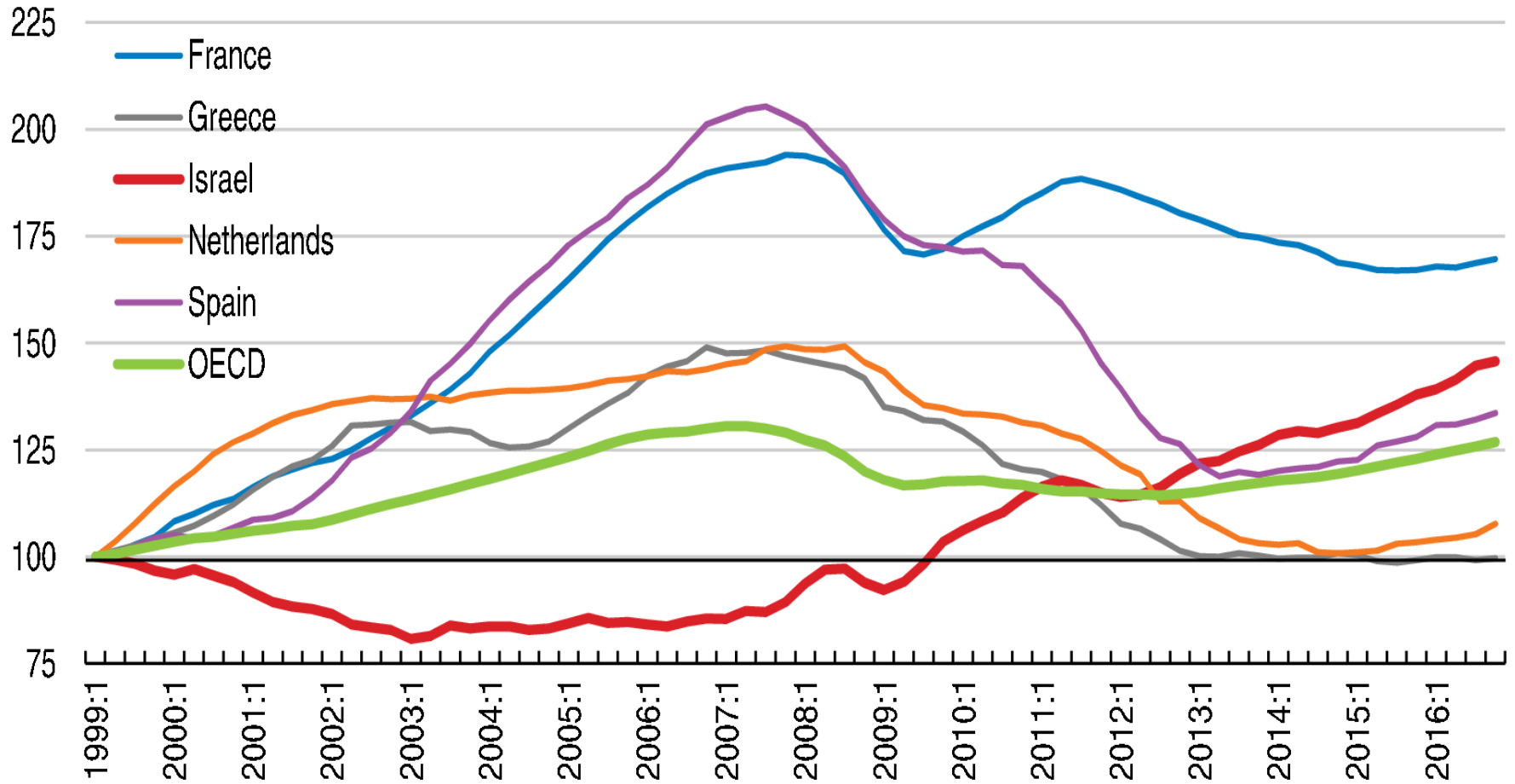


Source: OECD, House Prices database.



Price-to-rent ratios

Index 1999 Q1 = 100

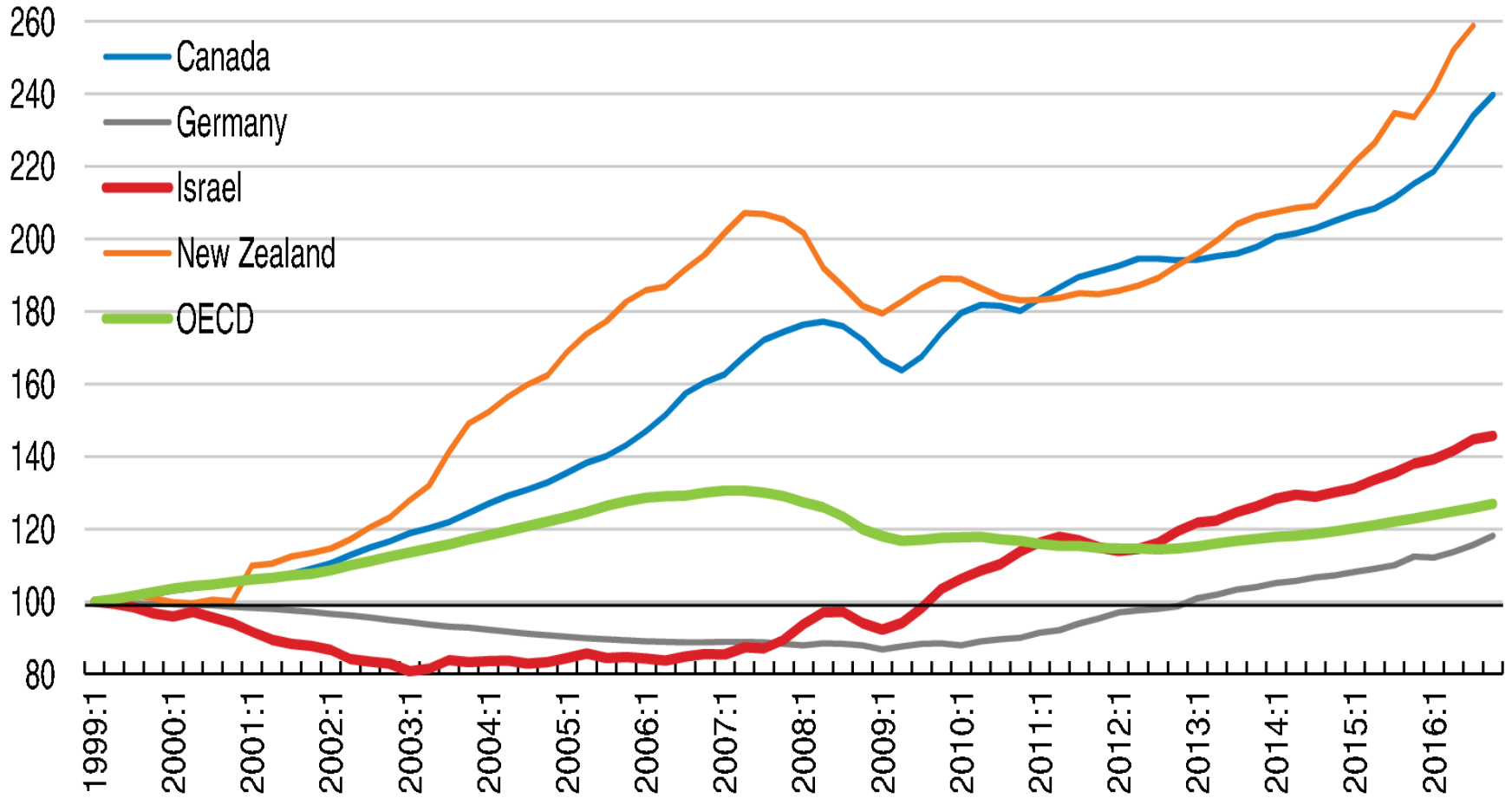


Source: OECD, House Prices database.



Price-to-rent ratios

Index 1999 Q1 = 100

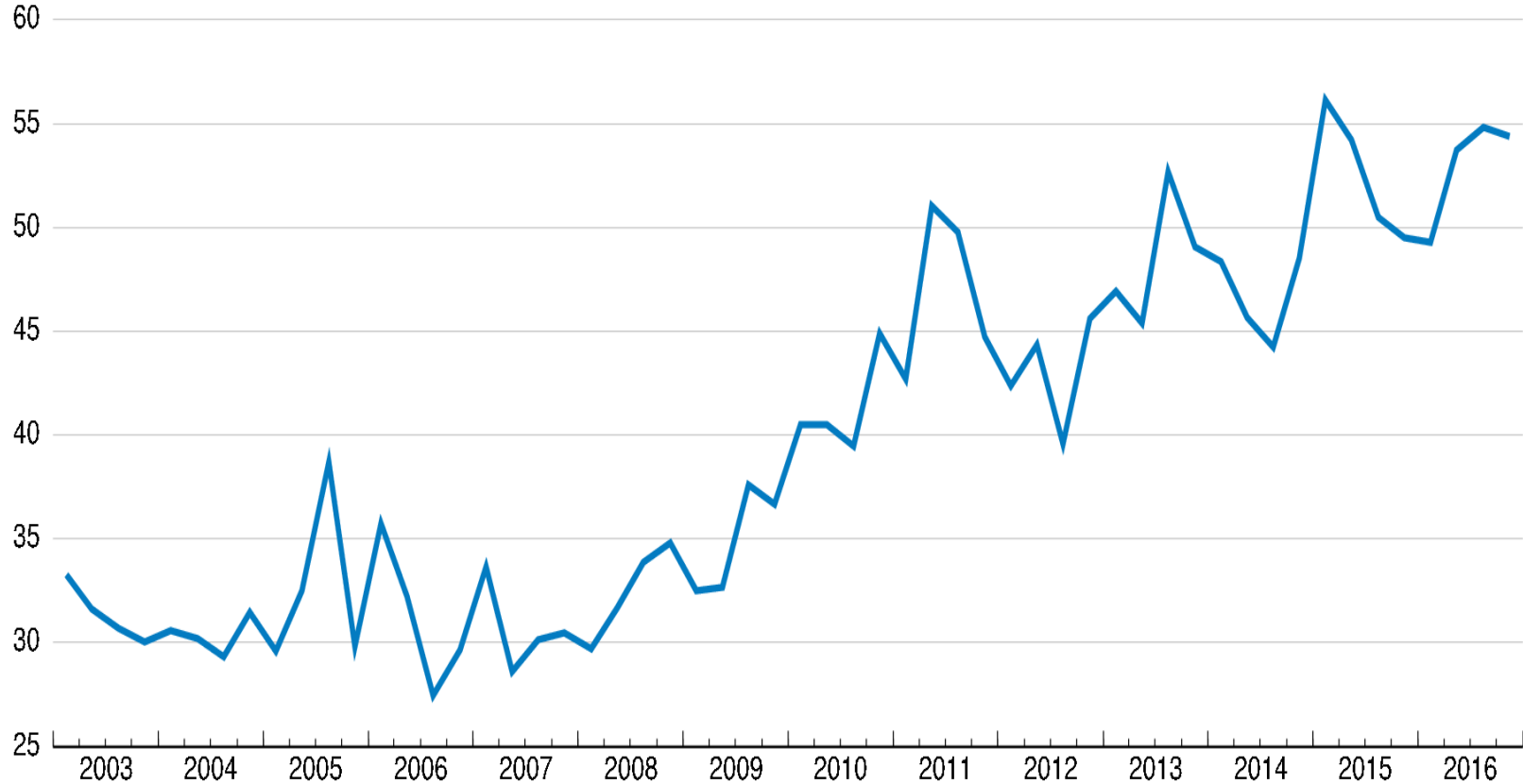


Source: OECD, House Prices database.



Housing starts

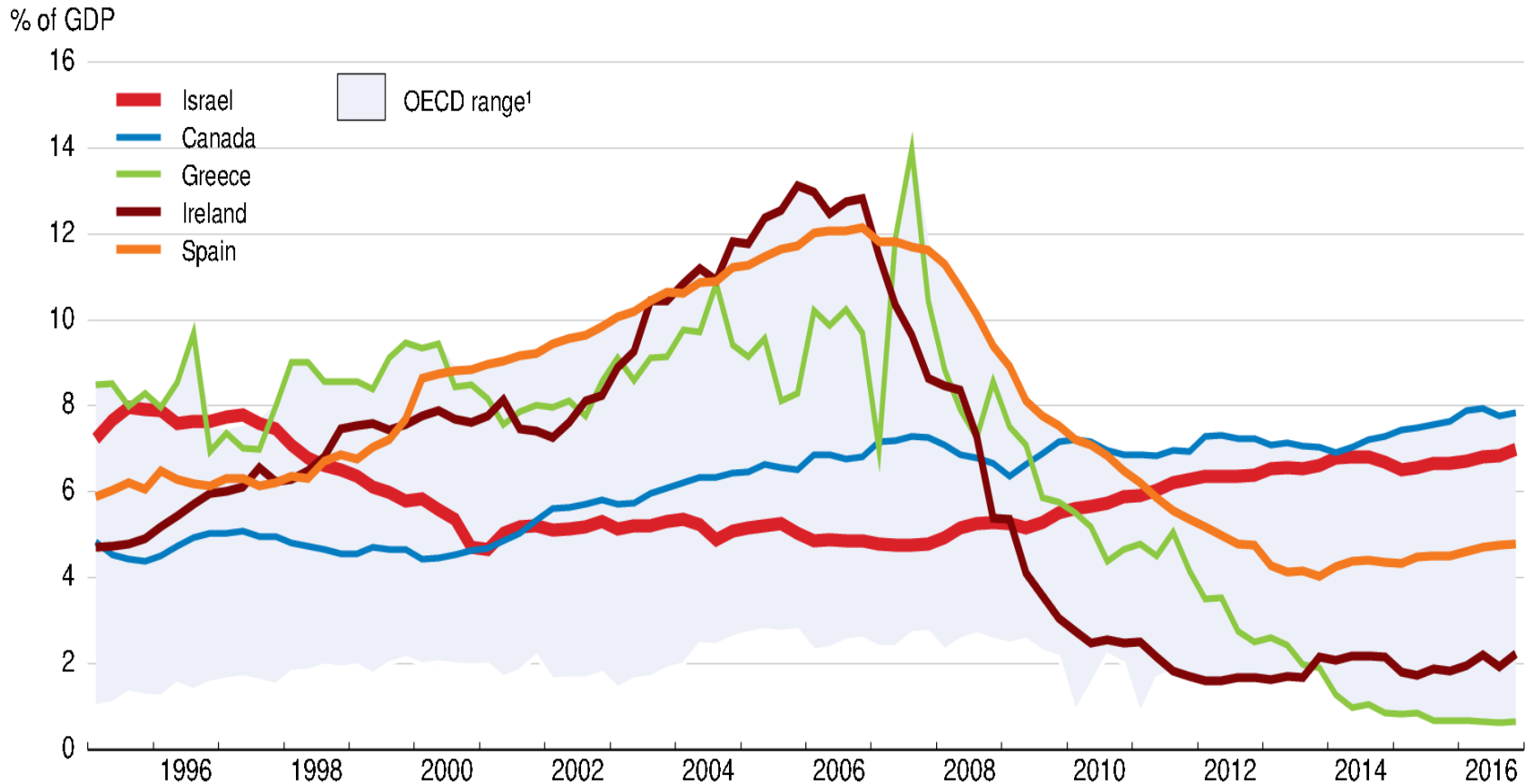
Thousand



Source: Central Bureau of Statistics, Construction Statistics.



Residential investment As a percentage of GDP



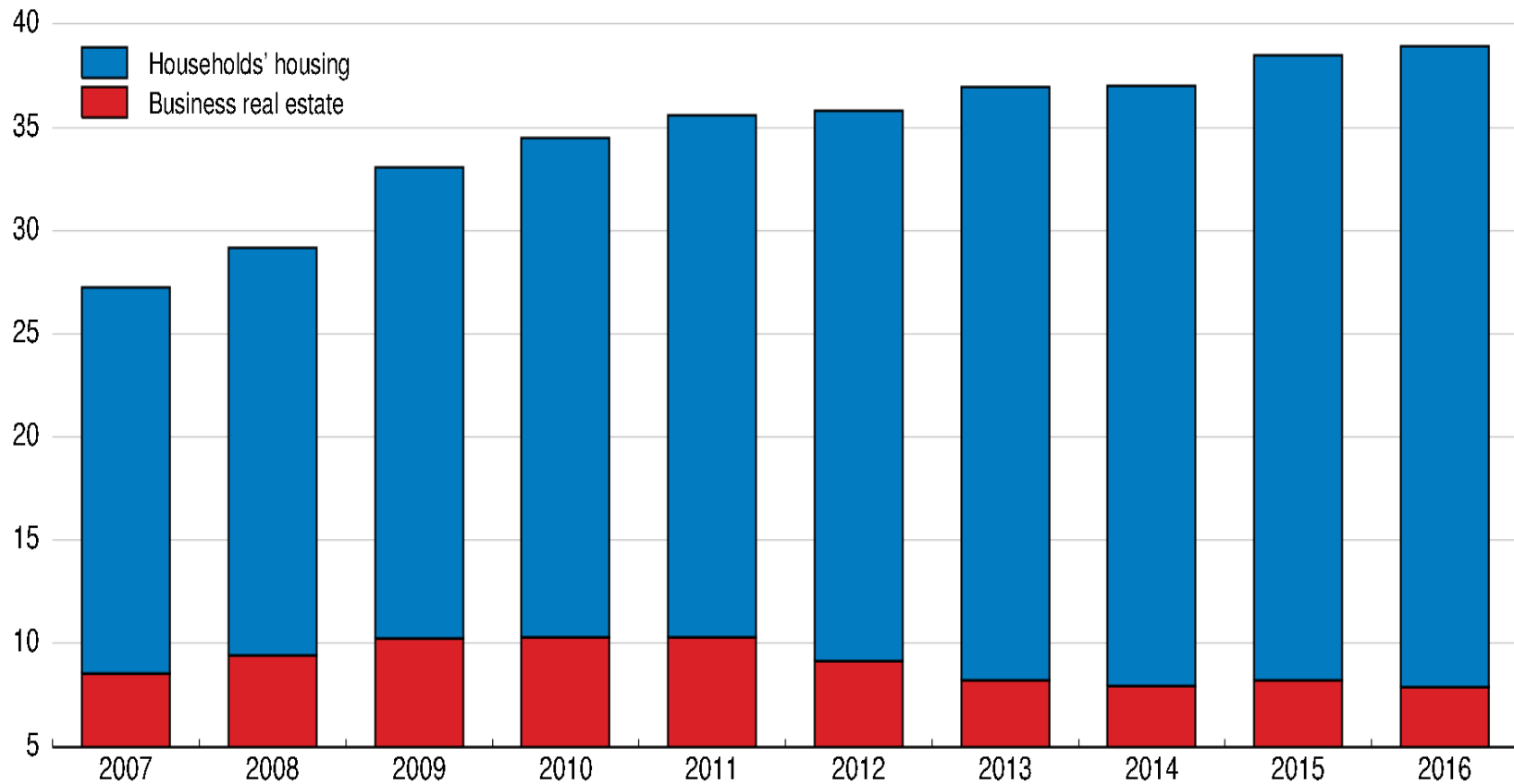
1. Excluding Chile, Hungary, Switzerland and Turkey due to data unavailability as well as Israel.

Source: OECD, House Prices database.



Banks' exposure to the housing sector

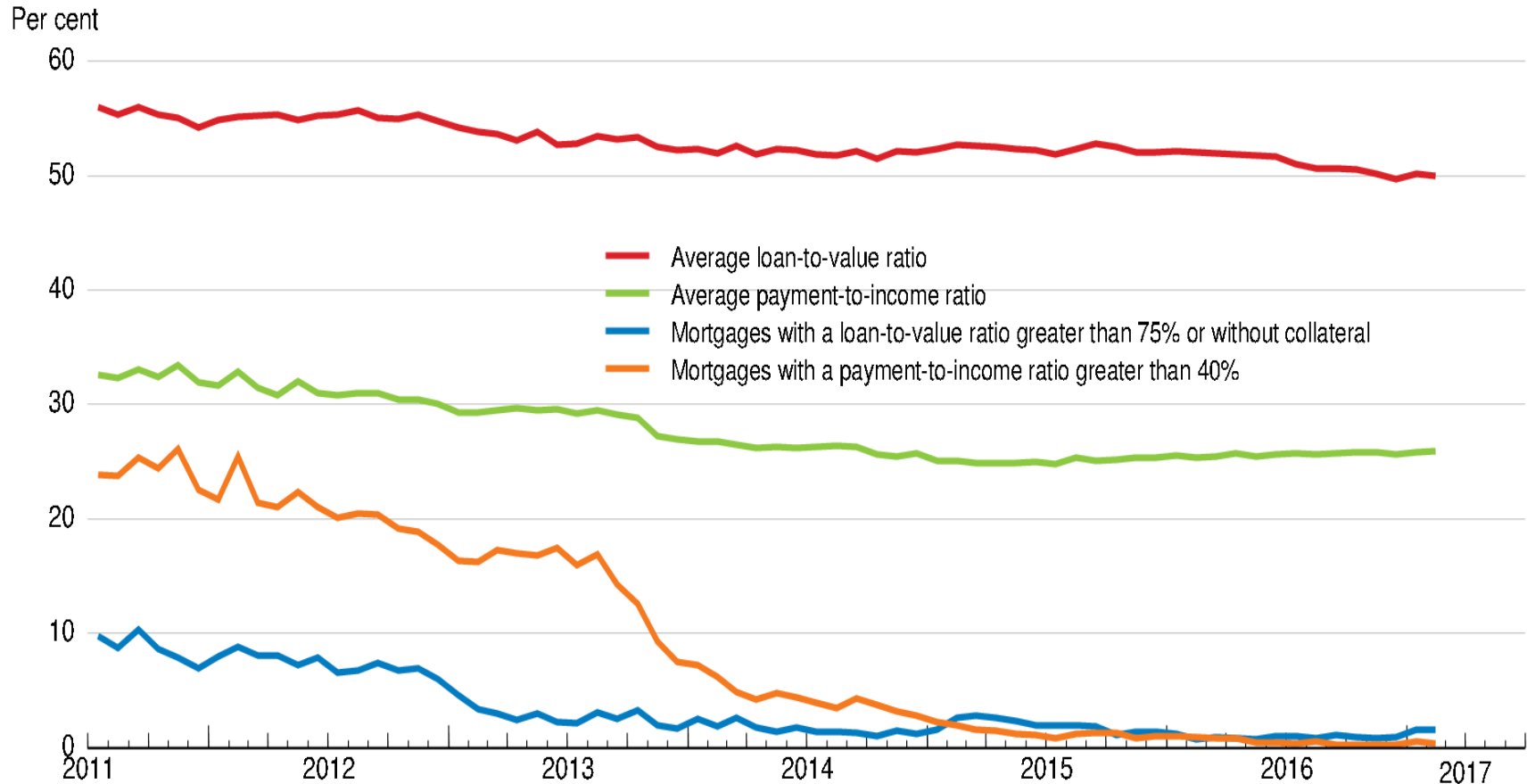
% of total credit to the public



Source: Bank of Israel, Information on the Banking Corporations - Credit, Table IV-4.1.



Risk indicators for new mortgages

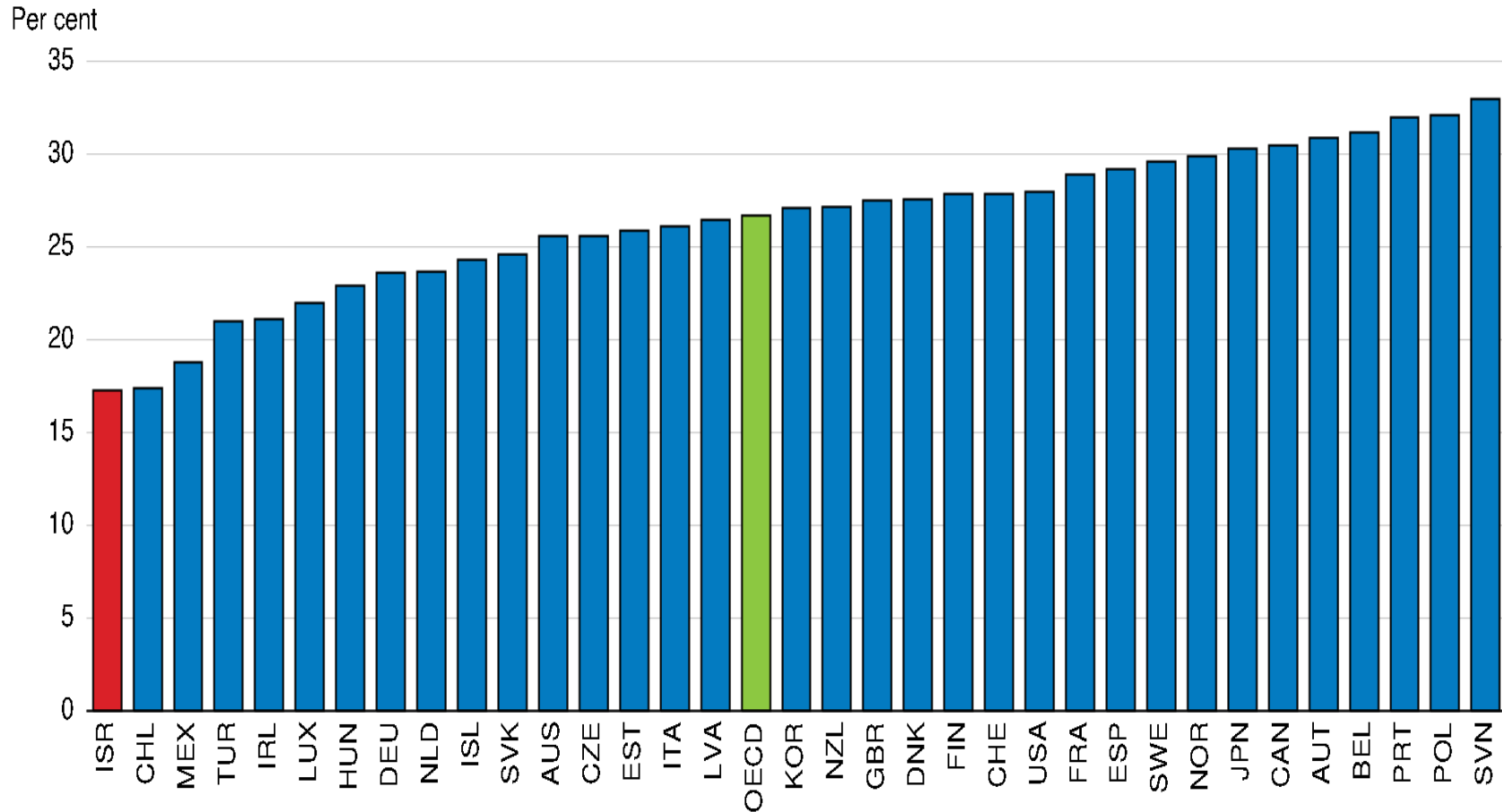


Source: Bank of Israel (2016), Financial Stability Report, September, Figure 34 updated.



Public expenditure on educational institutions

Per student, relative to GDP per capita, 2013 or latest available data

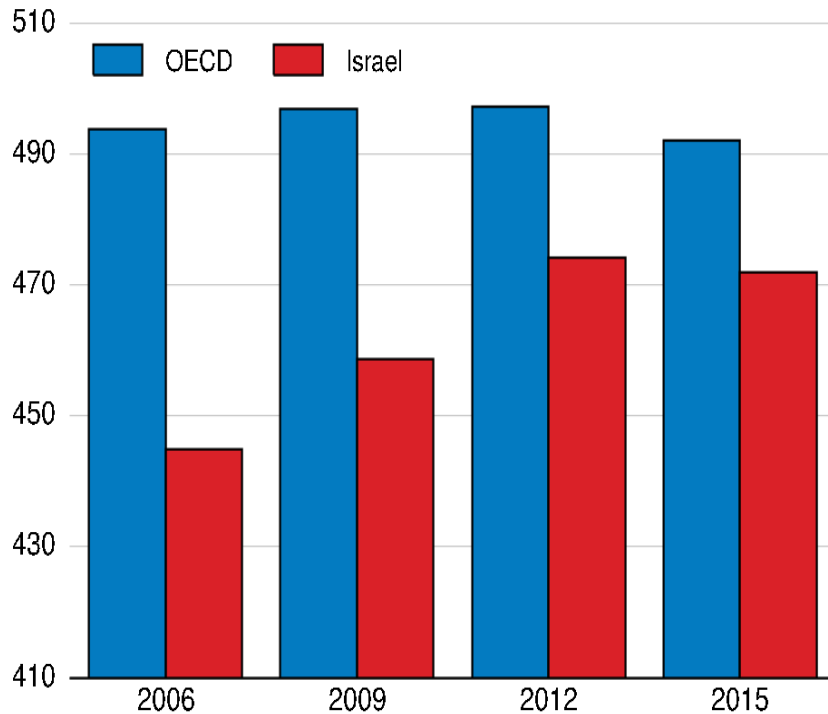


Source: OECD, Education and Training - Education finance indicators database.

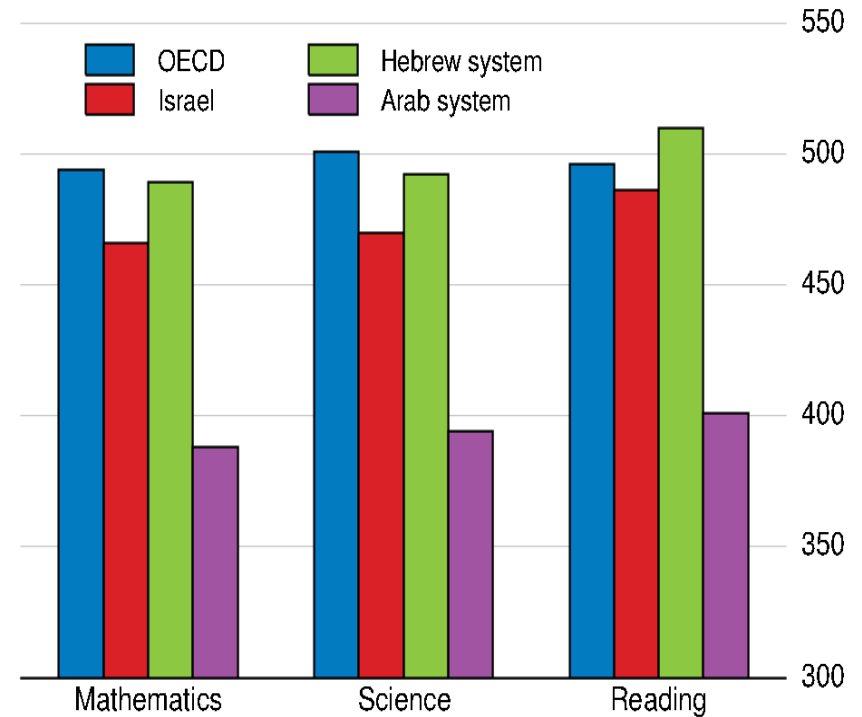


PISA scores

Trend in overall PISA scores¹



Average PISA scores, 2012



Source: OECD (2016), PISA 2015 Results: Excellence and Equity in Education, Figure I.1.1 (for 2015 and previous PISA results for the other years); Ministry of Education of Israel.



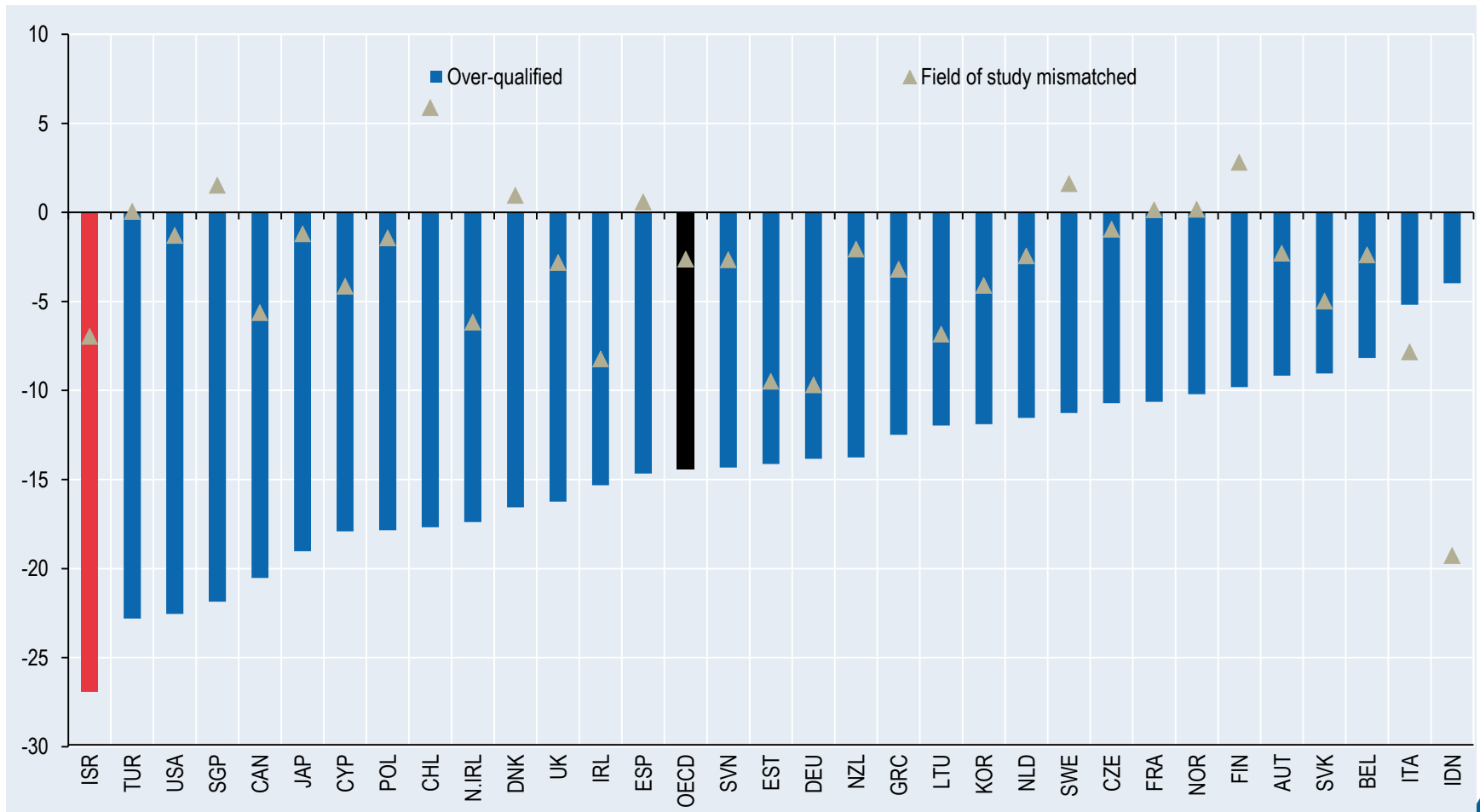
Israel has many low-performing 15 year-old students

% of all students, PISA 2012

	Mathematics	Science	Reading	All Subjects
Israel	33.5	28.9	23.6	18.5
OECD	21.0	17.8	18.0	11.6



Wage penalties for overqualified or field-of-study mismatched workers and their well-matched counterparts





Selected OECD policy advice on housing, education and the labour market (2016)

- Complete the streamlining of the administrative requirements for planning and building a new home.
- Further develop public transport infrastructure to make it easier to live in lower-price housing areas, and promote labour market participation for those living in remote areas.
- Increase education funding for disadvantaged groups. Develop vocational education and training more fully for young adults.
- Require Haredi schools to teach mathematics, science and foreign languages.
- Expand the earned income tax credit and active labour market policies.