The OECD’s Views on Housing and Education in Israel
Remarks by Peter Jarrett, Economics Department
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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

Residential investment
As a percentage of GDP

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

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 scores

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

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<th></th>
<th>Mathematics</th>
<th>Science</th>
<th>Reading</th>
<th>All Subjects</th>
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<td>17.8</td>
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Wage penalties for overqualified or field-of-study mismatched workers and their well-matched counterparts
• 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.