Public finances are recovering, but public investment remains low by OECD standards

Public debt (according to the System of National Accounts definition) decreased by 7 p.p. between 2009 and 2013, following a strong increase in the aftermath of the global crisis. The Israeli structural balance reached a level of 3.9% of potential GDP in 2014, compared to the OECD average which increased by 17 p.p. However, general government revenues represent 37% of GDP, and its expenditure 41% of GDP, both below the OECD average (38% and 42% respectively). In particular, in 2013, the share of government investment in total investment is the lowest in OECD countries (4.2% of total government expenditures). Investment in infrastructure – ranging from public transport and the natural gas distribution network to the education system – has been shown to potentially benefit potential growth by lifting barriers to private investment.

Chapter 2: Public finance and economics
General government structural balance as a percentage of potential GDP
General government revenues as a percentage of GDP
General government expenditures as a percentage of GDP
Government investment as a share of total government expenditures

Public spending in education is low compared to other OECD countries.
Results have improved, but inequalities remain high

PISA scores in mathematics have improved remarkably since 2003, but remain low by OECD standards. However, the PISA study shows that the education system is more unequal than the OECD average, as a high percentage of this variance can be explained by socio-economic background (17.2% in Israel while the OECD average is 14.8%). In addition, the share of private expenditure on education is higher than the OECD average (for example, the share of private expenditure on primary, secondary and post-secondary non tertiary education is 51% in Israel while the OECD average is 30.9%).

Chapter 12: Serving Citizens
Evolution of PISA mean score in mathematics
Percentage of variance in PISA mathematics score explained by socio-economic background
Share of private expenditure on educational institutions

Citizen satisfaction with services is generally close or slightly above the OECD average

In 2014, in Israel, citizen satisfaction with the health care (72%) and education system (67%) were very comparable to the OECD average. The same year, citizen confidence in the judicial system (60%) was slightly above the OECD average (54%) and has increased significantly compared to 2007 when, at the time, less than half of the population (49%) reported confidence in the judicial system.

Chapter 12: Serving Citizens
Citizens’ satisfaction with the health care system
Citizens’ satisfaction with the education system
Citizens’ satisfaction with the judicial system
GOVERNMENT OUTPUTS AND OUTCOMES

Core Government Results and Service Delivery

**Satisfaction and confidence across public services (2014)**

% of citizens expressing confidence/satisfaction

- Health care: 72% (71%)
- National government: 44% (42%)
- Education system: 67% (67%)
- Judicial system: 60% (54%)

Source: Gallup World Poll

**Access to healthcare (2012)**

Out of pocket expenditure as a % of final household consumption

- Israel: 2.9%

Source: OECD Health Statistics 2014

**Equity in learning outcomes (2012)**

PISA mathematics score variance by socio economic background

- Israel: 17.2%

Source: OECD, PISA 2012 results: Excellence through equity, 2013

**Changes in household disposable income, by income group (2007-2011)**

<table>
<thead>
<tr>
<th>Income Group</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bottom 10%</td>
<td>1.5%</td>
<td>-0.8%</td>
<td>-1.6%</td>
<td>-0.8%</td>
<td>-1.3%</td>
</tr>
<tr>
<td>Top 10%</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
</tr>
</tbody>
</table>

Source: OECD Income Distribution Database

**Limited government powers (2014)**

- n.a.

Source: The World Justice Project

Notes:

- Fiscal balance as reported in the System of National Accounts (SNA) framework, also referred to as net lending (+) or net borrowing (-) of government, is calculated as total government revenues minus total government expenditures.
- Structural fiscal balance, or underlying balance, represents the fiscal balance adjusted for the state of the economic cycle (as measured by the output gap which resulted as the difference between actual and potential GDP) and one-off fiscal operations.
- Government gross debt is reported according to the SNA definition, which differs from the definition applied under the Maastricht Treaty. It is defined as all liabilities that require payment or payments of interest or principal by the debtor to the creditor at a date or dates in the future. All debt instruments are liabilities, but some liabilities such as shares, equity and financial derivatives are not debt.

Government at a Glance 2015

With a focus on public administration, OECD Government at a Glance 2015 provides readers with a dashboard of key indicators assembled with the goal of contributing to the analysis and international comparison of public sector performance across OECD countries. Indicators on public finances and employment are provided alongside composite indexes summarising aspects of public management policies, and indicators on services to citizens in health care, education, and justice. Government at a Glance 2015 also includes indicators on key governance and public management issues, such as regulatory management, budgeting practices and procedures, public sector integrity, public procurement and core government results in terms of trust in institutions, income redistribution and efficiency and cost-effectiveness of governments.

The Excel spreadsheets used to create the tables and figures in Government at a Glance 2015 are available via the StatLinks provided throughout the publication:

http://dx.doi.org/10.1787/gov_glance-2015-en

For more information on the data (including full methodology and figure notes) and to consult all other Country Fact Sheets: www.oecd.org/gov/govataglance.htm