



**Job Creation and Local Economic Development 2020: Rebuilding Better** examines the impacts of COVID-19 on different types of local labour markets. It also considers their performance prior to the pandemic, and how COVID-19 could impact other ongoing local labour market transitions such as digitalisation, automation and the polarisation of jobs. Finally, it discusses the role local actors will play in rebuilding better. Consult the full publication [here](#).

# Israel<sup>1</sup>

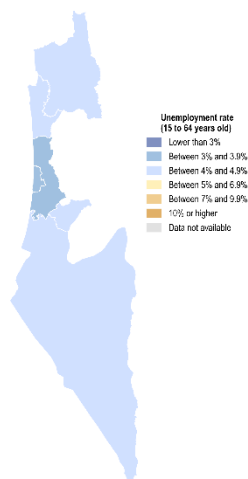
All Israeli districts had lower unemployment rates in 2018 compared to 2008, and gaps between districts shrank.

The Central district alone was responsible for 29% of net employment growth between 2008 and 2018.

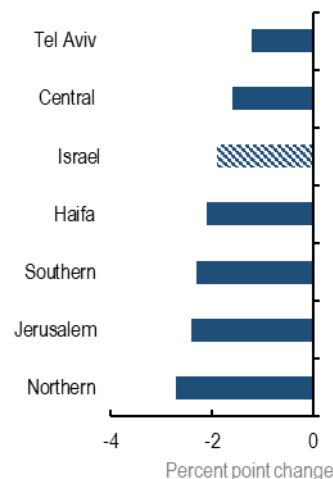
All districts saw the share of middle-skill jobs decrease between 2003 and 2018. The share of middle-skill jobs decreased by 15 percentage points or more in the Tel Aviv and Central districts, representing a net decrease of 46 000 and 30 000 middle-skill jobs respectively.

## Local labour market performance prior to COVID-19

Unemployment rate, 2019



Change in unemployment rate, 2008-2018



Note: The unemployment rate is computed as the share of unemployed people over the labour force, for the age group 15-64.

Source: OECD (2020), "Regional labour markets", *OECD Regional Statistics (database)*, <https://doi.org/10.1787/f7445d96-en>.

**Before the COVID-19 pandemic, unemployment rates in Israel were generally low, and varied 0.8 percentage points across districts.** Unemployment ranged from a low of 3.4% in the Central district to a high of 4.2% in the Northern and Haifa districts. All districts had unemployment rates lower in 2018 than in 2008, a pattern seen in about one-third of OECD countries. Gaps in unemployment also shrank over this period, thanks to relatively larger declines in the districts with the highest rates in 2008. For example, the unemployment rate decreased by 2.7 percentage points in the Northern district, which had the highest unemployment rate in 2008.

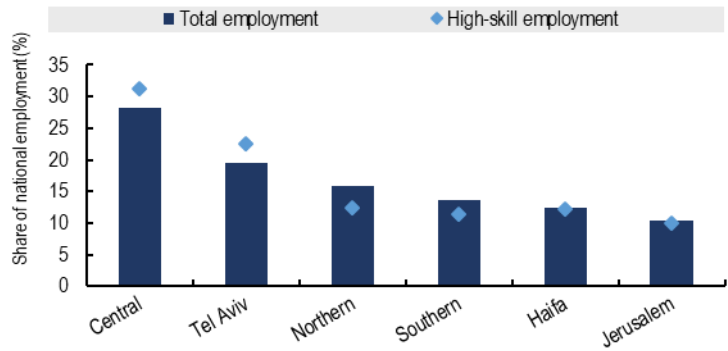
*The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.*

*This document, as well as any data and map included herein, are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.*

**Change in net employment, 2008-2018**



**Employment by district and skill level, 2018**

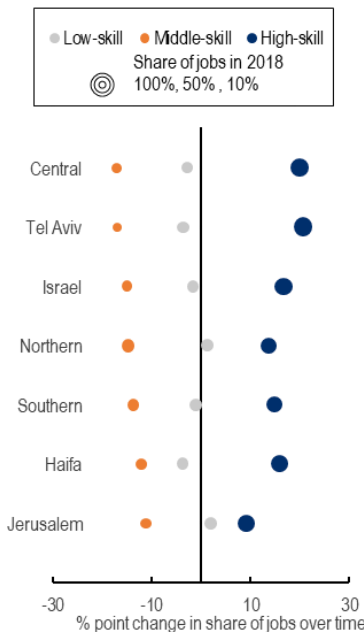


Source: OECD (2020), "Regional labour markets", *OECD Regional Statistics (database)*, <https://doi.org/10.1787/f7445d96-en> and OECD calculations on Labour Force Survey.

**In all districts, the number of people employed grew between 2008 and 2018.** The Central district was responsible for 29% of net employment growth over this period. In 2018, it accounted for over 28% of all employment in Israel and roughly 31% of all high-skill employment. Looking at a longer time period (2003-2018), the geographic concentration of jobs (as measured by the number of people employed) did not change significantly in Israel, but did increase for high-skill jobs.

**Local labour market transitions**

**Job polarisation, 2003-2018**



**Following general OECD patterns, in Israel, all districts saw the share of middle-skill jobs decrease between 2003 and 2018.** The share of middle-skill jobs decreased by 15 percentage points or more in the Tel Aviv and Central districts, representing a net decrease of 46 000 and 30 000 middle-skill jobs respectively. In all districts, decreasing shares of middle-skill jobs were predominantly offset by increasing shares of high-skill jobs.

Note: High-skill occupations include jobs classified under the ISCO-88 major groups 1 (legislators, senior officials, and managers); 2 (professionals); and 3 (technicians and associate professionals). Middle-skill occupations include jobs classified under the ISCO-88 major groups 4 (clerks); 6 (skilled agricultural workers); 7 (craft and related trades workers); and 8 (plant and machine operators and assemblers). Low-skill occupations include jobs classified under the ISCO-88 major groups 5 (service workers and shop and market sales workers); and 9 (elementary occupations).

Source: OECD calculations on Labour Force Survey.

## Notes

<sup>1</sup> Data is presented at the TL2 level, which typically corresponds to the first administrative tier of subnational government. See Reader's Guide of the full report for more information on the methodologies behind the calculations.