

Social Expenditure Tables

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The Taub Center Appendix tables
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** All tables show final budget figures except for 2014*

Table 1. **Social services expenditures**
total expenditure and expenditure in current budget, 1980-2014

	As percent of government expenditure		As percent of GDP
	Total	excl. debt repayment	
1. Total budget: current and development			
1980	23.9	31.7	17.8
1985	18.2	32.1	15.5
1989	26.1	42.0	16.4
1996	36.8	53.2	19.9
2000	38.4	54.9	18.1
2005	35.3	51.6	16.4
2006	34.3	50.6	15.1
2007	34.3	50.8	14.6
2008	34.8	51.4	14.5
2009	35.9	51.7	14.8
2010	36.1	53.1	14.9
2011	35.9	53.4	14.7
2012	35.9	53.7	14.9
2013	37.2	54.1	15.1
2014	36.7	53.5	14.7
2. Current budget			
1980	26.4	30.4	15.1
1985	24.6	32.3	14.4
1989	34.0	42.8	15.6
1996	43.4	51.3	16.9
2000	45.9	54.2	16.4
2005	43.9	52.1	15.4
2006	43.3	51.3	14.4
2007	43.7	51.4	13.9
2008	45.1	52.5	13.9
2009	46.0	53.2	14.3
2010	47.6	54.9	14.4
2011	48.1	55.5	14.3
2012	48.5	55.8	14.4
2013	49.0	55.9	14.6
2014	49.1	56.4	14.2

Table 2. **Government expenditures, by use**

	Total expenditure	Of this: Debt repayment	Total excluding debt repayment			
			Total	Social services	Defense	Other
1. Total budget (current and development, in percent)						
1980	100.0	24.5	100.0	31.7	39.5	28.8
1985	100.0	43.4	100.0	32.1	40.2	27.7
1989	100.0	37.8	100.0	42.0	33.1	24.9
1996	100.0	30.8	100.0	53.2	24.5	22.3
2000	100.0	30.0	100.0	54.9	24.0	21.1
2005	100.0	31.6	100.0	51.6	25.3	23.1
2006	100.0	32.1	100.0	50.6	25.7	23.7
2007	100.0	32.5	100.0	50.8	25.8	23.4
2008	100.0	32.3	100.0	51.4	24.8	23.8
2009	100.0	30.6	100.0	51.7	23.8	24.4
2010	100.0	32.0	100.0	53.1	23.3	23.6
2011	100.0	32.8	100.0	53.4	22.5	24.1
2012	100.0	33.2	100.0	53.7	22.0	24.3
2013	100.0	31.2	100.0	54.1	21.3	24.6
2014	100.0	31.3	100.0	53.5	19.0	27.6
2. Current budget (in percent)						
1980	100.0	13.3	100.0	30.4	44.5	25.0
1985	100.0	24.1	100.0	32.3	43.6	24.1
1989	100.0	20.6	100.0	42.8	35.4	21.8
1996	100.0	15.5	100.0	51.3	27.6	21.0
2000	100.0	15.4	100.0	54.2	26.1	19.7
2005	100.0	15.8	100.0	52.1	27.2	20.7
2006	100.0	15.7	100.0	51.3	27.4	21.3
2007	100.0	15.0	100.0	51.4	27.5	21.1
2008	100.0	14.1	100.0	52.5	26.4	21.1
2009	100.0	13.5	100.0	53.2	25.4	21.4
2010	100.0	13.3	100.0	54.9	24.8	20.3
2011	100.0	13.2	100.0	55.5	24.0	20.5
2012	100.0	13.0	100.0	55.8	23.6	20.7
2013	100.0	12.3	100.0	55.9	22.8	21.3
2014	100.0	13.0	100.0	56.4	20.7	22.9

Table 3. **Social services expenditures**

	Total	Income security	Direct services			
			Total	Education	Health	Other*
1. Total budget (current and development, in percent)						
1980	100.0	30.7	69.3	30.9	21.1	17.3
1985	100.0	41.0	59.0	28.6	19.9	10.5
1989	100.0	42.4	57.6	28.4	19.0	10.1
1996	100.0	33.4	66.6	30.3	17.4	18.8
2000	100.0	39.3	60.7	30.4	15.0	15.3
2005	100.0	39.5	60.5	30.4	17.2	12.9
2006	100.0	40.2	59.8	30.4	17.4	12.0
2007	100.0	39.8	60.2	31.7	16.2	12.4
2008	100.0	40.3	59.7	31.3	16.7	11.7
2009	100.0	41.1	58.9	31.3	16.6	11.0
2010	100.0	41.0	59.0	31.9	17.0	10.1
2011	100.0	41.2	58.8	32.3	16.5	10.0
2012	100.0	40.2	59.8	32.8	16.5	10.5
2013	100.0	38.6	61.4	32.7	17.7	11.0
2014	100.0	38.0	62.0	33.1	17.5	11.4
2. Current budget (in percent)						
1980	100.0	36.0	64.0	34.5	23.7	5.8
1985	100.0	44.2	55.8	30.2	20.9	4.8
1989	100.0	44.5	55.5	29.3	19.7	6.6
1996	100.0	39.1	60.9	33.9	19.3	7.7
2000	100.0	43.3	56.7	32.3	16.1	8.3
2005	100.0	42.0	58.0	31.7	18.1	8.2
2006	100.0	42.2	57.8	31.3	18.0	8.5
2007	100.0	41.8	58.2	32.7	16.8	8.6
2008	100.0	42.1	57.9	32.0	17.2	8.7
2009	100.0	42.7	57.3	31.8	16.9	8.6
2010	100.0	42.2	57.8	32.0	17.1	8.6
2011	100.0	42.3	57.7	32.4	16.6	8.6
2012	100.0	41.5	58.5	32.9	16.8	8.8
2013	100.0	39.9	60.1	33.1	18.0	9.1
2014	100.0	39.3	60.7	33.4	17.8	9.5

* Primarily personal social services, absorption, and housing

Table 4. **Social services expenditures, by main components***
(continued on next page)

	Income security		In-kind services						
	Total	security	Total	Education	Health	Welfare	Labor	Absorption	Housing
1. Total budget: current and development (in million shekels, 2013 prices)									
1980	55,905	13,279	42,626	20,284	13,893	2,393	340	382	5,333
1985	56,320	17,317	39,003	19,538	13,544	2,094	327	430	3,070
1989	65,365	23,257	42,108	21,097	14,144	2,917	477	916	2,556
1996	116,888	36,059	80,829	36,506	20,987	4,424	611	2,468	15,833
2000	127,666	47,788	79,877	39,545	19,468	5,916	774	2,739	11,435
2005	122,425	47,303	75,122	37,729	21,294	6,797	947	1,538	6,817
2006	122,940	48,812	74,128	37,731	21,563	6,979	1,173	1,640	5,043
2007	126,602	49,752	76,850	40,551	20,672	7,574	1,269	1,446	5,339
2008	127,858	50,850	77,008	40,452	21,648	7,847	1,330	1,449	4,281
2009	135,374	54,274	81,100	43,152	22,877	8,402	1,364	1,421	3,884
2010	140,603	56,518	84,085	45,503	24,233	8,913	1,339	1,432	2,665
2011	143,432	57,985	85,447	46,948	23,990	9,121	1,412	1,433	2,543
2012	151,114	60,479	90,635	49,694	25,069	9,715	1,598	1,419	3,139
2013	157,717	61,221	96,497	51,913	27,053	10,432	2,106	1,397	3,595
2014	158,544	60,454	98,091	52,307	27,665	10,745	2,416	1,377	3,582
Average annual percent change									
1980-1985	0.1	5.5	-1.8	-0.8	-0.5	-2.6	-0.8	2.4	-10.5
1985-1989	3.8	7.7	1.9	1.9	1.1	8.6	9.9	20.8	-4.5
1989-1996	8.7	6.5	9.8	8.2	5.8	6.1	3.6	15.2	29.8
1996-2000	2.2	7.3	-0.3	2.0	-1.9	7.5	6.1	2.6	-7.8
2000-2005	-0.8	-0.2	-1.2	-0.9	1.8	2.8	4.1	-10.9	-9.8
2005-2010	2.8	3.6	2.3	3.8	2.6	5.6	7.2	-1.4	-17.1
2010-2014	3.0	1.7	3.9	3.5	3.4	4.8	15.9	-1.0	7.7

* Income security expenditure is deflated by the Consumer Price Index. All other expenditures in the Current Budget are deflated by the Public Civilian Consumer Price Index; the Development Budget expenditures are deflated by the Construction Price Index.

Table 4. (continued from previous page) **Social services expenditures, by main components**

	Income security		Direct services						
	Total		Total	Education	Health	Welfare	Labor	Absorption	Housing
2. Current budget only (in million shekels, 2013 prices)									
1980	49,790	13,279	36,511	19,681	13,517	2,354	340	382	237
1985	52,868	17,317	35,551	19,224	13,299	2,065	327	430	206
1989	62,702	23,257	39,444	20,811	13,971	2,893	477	916	376
1996	98,453	36,059	62,394	34,760	19,763	4,367	611	2,468	425
2000	114,353	47,788	66,565	37,967	18,870	5,868	774	2,739	347
2005	114,863	47,303	67,560	36,971	21,069	6,776	947	1,538	260
2006	117,156	48,812	68,344	37,053	21,261	6,964	1,173	1,640	254
2007	120,530	49,752	70,779	39,831	20,428	8,573	1,270	1,447	243
2008	122,759	50,850	71,909	39,720	21,352	7,830	1,330	1,449	227
2009	130,448	54,274	76,174	42,291	22,482	8,377	1,364	1,421	238
2010	136,364	56,518	79,846	44,273	23,683	8,875	1,339	1,432	244
2011	139,427	57,985	81,442	45,780	23,473	9,100	1,412	1,433	244
2012	146,468	60,479	85,988	48,349	24,708	9,679	1,598	1,419	237
2013	153,482	61,221	92,261	50,756	27,595	10,213	2,106	1,397	194
2014	153,354	60,454	92,900	51,150	27,251	10,526	2,416	1,377	181
Average annual change (percent)									
1980-1985	1.2	5.5	-0.5	-0.5	-0.3	-2.6	-0.8	2.4	-2.7
1985-1989	4.4	7.7	2.6	2.0	1.2	8.8	9.9	20.8	16.2
1989-1996	6.7	6.5	6.8	7.6	5.1	6.1	3.6	15.2	1.8
1996-2000	3.8	7.3	1.6	2.2	-1.1	7.7	6.1	2.6	-4.9
2000-2005	0.1	-0.2	0.3	-0.5	2.2	2.9	4.1	-10.9	-5.6
2005-2010	3.5	3.6	3.4	3.7	2.4	5.5	7.2	-1.4	-1.3
2010-2014	3.0	1.7	3.9	3.7	3.6	4.4	15.9	-1.0	-7.2

Table 5. **Social services expenditures per capita, by main components*** (continued on next page)

	Income security		Direct services						
	Total		Total	Education	Health	Welfare	Labor	Absorption	Housing
1. Total budget: current and development (in shekels, 2013 prices)									
1980	14,417	3,424	10,993	5,231	3,583	617	88	99	1,375
1985	13,305	4,091	9,214	4,616	3,200	495	77	102	725
1989	14,467	5,147	9,320	4,669	3,131	646	106	203	566
1996	20,560	6,343	14,218	6,421	3,692	778	107	434	2,785
2000	20,299	7,599	12,701	6,288	3,096	941	123	436	1,818
2005	17,666	6,826	10,840	5,444	3,073	981	137	222	984
2006	17,429	6,920	10,509	5,349	3,057	989	166	233	715
2007	17,632	6,929	10,703	5,648	2,879	1,055	177	201	744
2008	17,494	6,957	10,536	5,535	2,962	1,074	183	198	586
2009	18,085	7,250	10,834	5,765	3,056	1,122	182	190	519
2010	18,443	7,414	11,030	5,969	3,179	1,169	176	188	350
2011	18,470	7,467	11,003	6,045	3,089	1,174	182	184	328
2012	19,103	7,645	11,457	6,282	3,169	1,228	202	179	397
2013	19,506	7,526	11,980	6,382	3,443	1,283	259	174	442
2014	19,281	7,352	11,929	6,361	3,364	1,307	294	167	436
Average annual change (percent)									
1980-1985	-1.6	3.6	-3.5	-2.5	-2.2	-4.3	-2.5	0.6	-12.0
1985-1989	2.1	5.9	0.3	0.3	-0.5	6.9	8.1	18.9	-6.0
1989-1996	5.1	3.0	6.2	4.7	2.4	2.7	0.2	11.5	25.6
1996-2000	-0.3	4.6	-2.8	-0.5	-4.3	4.8	3.4	0.1	-10.1
2000-2005	-2.7	-2.1	-3.1	-2.8	-0.2	0.8	2.1	-12.6	-11.6
2005-2010	0.9	1.7	0.3	1.9	0.7	3.6	5.2	-3.3	-18.7
2010-2014	1.1	-0.2	2.0	1.6	1.4	2.8	13.7	-2.8	5.7

* Income maintenance expenditure is deflated by the Consumer Price Index. All other expenditures in the Current Budget are deflated by the Public Civilian Consumer Price Index; the Development Budget expenditures are deflated by the Construction Price Index.

Table 5. (continued from previous page) **Social services expenditures per capita, by main components***

	Income security		Direct services						
	Total		Total	Education	Health	Welfare	Labor	Absorption	Housing
2. Current budget only (in shekels, 2013 prices)									
1980	12,840	3,424	9,416	5,075	3,486	607	88	99	61
1985	12,489	4,091	8,398	4,541	3,142	488	77	102	49
1989	13,878	5,147	8,730	4,606	3,092	640	10	203	83
1996	17,318	6,343	10,975	6,114	3,467	668	107	434	75
2000	18,182	7,599	10,584	6,037	3,000	933	123	436	55
2005	16,575	6,826	9,749	5,335	3,040	978	137	222	38
2006	16,609	6,920	9,689	5,253	3,014	987	166	233	36
2007	16,787	6,929	9,858	5,547	2,845	1,053	177	201	34
2008	16,796	6,957	9,839	5,435	2,921	1,071	182	198	31
2009	17,427	7,250	10,176	5,650	3,003	1,119	182	190	32
2010	17,887	7,414	10,474	5,807	3,107	1,164	176	188	32
2011	17,954	7,467	10,487	5,895	3,023	1,176	182	184	31
2012	18,516	7,645	10,870	6,112	3,123	1,224	202	179	30
2013	18,868	7,526	11,342	6,240	3,392	1,256	259	172	24
2014	18,650	7,352	11,298	6,221	3,314	1,280	294	1671	22
Average annual change (percent)									
1980-1985	-0.6	3.6	-2.3	-2.2	-2.1	-4.3	-2.5	0.6	-4.4
1985-1989	2.7	5.9	1.0	0.4	-0.4	7.0	8.1	18.9	14.4
1989-1996	3.2	3.0	3.3	4.1	1.7	2.6	0.2	11.5	-1.5
1996-2000	1.2	4.6	-0.9	-0.3	-3.6	5.0	3.4	0.1	-7.3
2000-2005	-1.8	-2.1	-1.6	-2.4	0.3	0.9	2.1	-12.6	-7.4
2005-2010	1.5	1.7	1.4	1.7	0.4	3.6	5.2	-3.3	-3.1
2010-2014	1.0	-0.2	1.9	1.7	1.6	2.4	13.7	-2.8	-8.9

Table 6. **Income security expenditure, by main components***

	Total	Old-age and survivors	Child allowances	General disability	Unem- ployment	Income support	Other NII	Nazi victims
In million shekels, 2013 prices								
1980	13,279	5,968	4,010	1,460	241	0	1,179	421
1985	17,317	7,983	4,478	2,261	452	578	1,230	336
1989	23,257	10,140	5,358	2,703	1,734	707	2,081	534
1996	36,059	14,270	8,000	4,326	2,497	2,124	3,704	1,137
2000	47,788	17,857	9,194	6,570	3,918	3,807	4,913	1,528
2005	47,303	19,833	5,470	9,144	2,431	3,368	5,544	1,513
2006	48,812	20,509	5,941	9,679	2,338	3,134	5,656	1,554
2007	49,752	20,696	5,909	10,419	2,089	2,875	6,075	1,688
2008	50,850	20,939	5,807	10,602	2,091	2,718	6,556	2,137
2009	54,274	21,942	6,136	10,983	3,330	2,731	6,853	2,300
2010	56,518	23,350	6,645	11,555	2,715	2,707	7,131	2,416
2011	57,985	24,089	7,136	11,689	2,587	2,562	7,342	2,581
2012	60,479	25,011	7,375	12,352	2,890	2,538	7,778	2,535
2013	61,221	25,722	6,390	12,691	3,176	2,583	8,138	2,521
2014	60,454	26,557	4,697	13,309	3,357	1,712	8,543	2,279
Average annual percent changes								
1980-1985	5.5	6.0	2.2	9.1	13.3	–	0.9	-4.4
1985-1989	7.7	6.2	4.6	4.6	40.0	5.2	14.0	12.3
1989-1996	6.5	5.0	5.9	7.0	5.3	17.0	8.6	11.4
1996-2000	7.3	5.8	3.5	11.0	11.9	15.7	7.3	7.7
2000-2005	-0.2	2.1	-9.9	6.8	-9.1	-2.4	2.4	-0.2
2005-2010	3.6	3.3	4.0	4.8	2.2	-4.3	5.2	9.8
2010-2014	1.7	3.3	-8.3	3.6	5.5	-10.8	4.6	-1.5

* Deflated by the Consumer Price Index

Table 7. **Income security expenditures, by main components (percent)**

	Total	Old-age and survivors	Child allowances	General disability	Unem- ployment	Income support	Other NII	Nazi victims
1980	100.0	44.9	30.2	11.0	1.8	0.0	8.9	3.2
1985	100.0	46.1	25.9	13.1	2.6	3.3	7.1	1.9
1989	100.0	43.6	23.0	11.6	7.5	3.0	8.9	2.3
1996	100.0	39.6	22.2	12.0	6.9	5.9	10.3	3.2
2000	100.0	37.4	19.2	13.7	8.2	8.0	10.3	3.2
2005	100.0	41.9	11.6	19.3	5.1	7.1	11.7	3.2
2006	100.0	42.0	12.2	19.8	4.8	6.4	11.6	3.2
2007	100.0	41.6	11.9	20.9	4.2	5.8	12.2	3.4
2008	100.0	41.2	11.4	20.8	4.1	5.3	12.9	4.2
2009	100.0	40.4	11.3	20.2	6.1	5.0	12.6	4.2
2010	100.0	41.3	11.8	20.4	4.8	4.8	12.6	4.3
2011	100.0	41.5	12.3	20.2	4.5	4.4	12.7	4.5
2012	100.0	41.4	12.2	20.4	4.8	4.2	12.9	4.2
2013	100.0	42.9	10.4	20.7	5.2	4.2	13.3	4.1
2014	100.0	43.9	7.8	22.0	5.6	2.8	14.1	3.8

Table 8. **Education expenditures in current budget, by main components***

	Total	General	Pre-schools	Primary education	Secondary education	**Post-secondary education	Tertiary education	Vocational training	Yeshivas
In million shekels, 2013 prices									
1980	19,681	2,056	673	5,598	4,929	901	4,412	679	344
1985	19,224	1,812	911	4,919	5,258	971	3,970	651	733
1989	20,811	1,573	1,051	5,478	6,112	1,185	3,774	642	996
1996	34,760	2,481	1,929	9,270	10,256	2,077	6,230	1,000	1,517
2000	37,967	2,689	2,350	10,080	11,053	2,275	6,986	982	1,553
2005	36,971	2,654	2,732	10,869	10,656	1,911	6,652	708	769
2006	37,053	2,457	2,873	11,216	10,402	2,043	6,586	632	843
2007	39,831	2,501	2,897	12,658	10,614	2,165	7,228	616	1,151
2008	39,720	2,354	3,124	12,900	10,919	2,174	6,575	546	1,128
2009	42,291	2,513	3,354	13,146	11,133	2,231	7,889	620	1,404
2010	44,273	3,289	2,948	14,964	11,269	2,050	7,672	698	1,383
2011	45,780	3,307	3,090	15,895	11,788	2,014	7,699	704	1,284
2012	48,349	3,320	3,409	16,341	12,750	2,545	8,000	750	1,233
2013	50,756	3,344	5,270	17,354	13,575	1,275	8,406	671	860
2014	51,150	3,161	5,243	17,974	14,082	1,197	8,069	797	628
Average annual change (percent)									
1980-1985	-0.5	-2.5	3.6	-2.6	1.3	1.5	-2.1	-0.8	16.3
1985-1989	2.0	-	-	-	-	-	-1.3	-0.3	8.0
1989-1996	7.6	6.7	9.1	7.8	7.7	8.3	7.4	6.5	6.2
1996-2000	2.2	2.0	5.1	2.1	1.9	2.3	2.9	-0.5	0.6
2000-2005	-0.5	-0.3	3.1	1.5	-0.7	-3.4	-0.9	-6.3	-13.1
2005-2010	3.7	4.4	1.5	6.6	1.1	1.4	2.8	-0.3	12.5
2010-2014	3.7	-1.0	15.5	4.7	5.7	-12.6	1.3	3.4	-17.9

* Deflated by the Consumer Price Index

** Including teacher training and continuing education

Table 9. **Health expenditures out of current budget, by main components***

	Total	Government participation in health insurance				Direct expenditures				
		Total	Parallel tax	Co-payments	Other transfers	General hospital care**	Psychiatric care	Long-term care	Public health and other***	Other****
In million shekels, 2013 prices										
1980	13,517	7,670	5,495	–	2,175	1,533	1,061	578	822	1,852
1985	13,299	9,058	7,233	234	1,590	627	752	536	663	1,664
1989	13,971	10,382	8,965	1,026	390	189	845	694	532	1,280
1996	19,763	14,354	10,148	2,688	1,517	270	1,463	1,028	912	1,737
2000	18,870	12,539	0	11,814	725	223	1,462	1,342	1,425	1,879
2005	21,069	14,076	0	13,058	1,018	209	1,872	1,489	1,270	2,153
2006	21,261	14,243	0	13,421	822	213	1,768	1,552	1,296	2,188
2007	20,427	13,159	0	12,399	760	166	1,859	1,571	1,248	2,424
2008	21,352	13,915	0	12,938	978	85	1,870	1,595	1,349	2,536
2009	22,482	14,182	0	13,358	824	156	1,970	1,688	1,672	2,814
2010	23,683	15,056	0	14,223	833	277	1,982	1,620	1,717	3,031
2011	23,473	15,182	0	14,344	837	593	2,023	1,560	1,087	3,023
2012	24,708	15,825	0	14,838	987	676	2,195	1,624	1,100	3,288
2013	27,595	17,902	0	16,979	923	743	2,347	1,792	1,185	3,625
2014	27,251	17,919	0	16,631	1,288	574	1,786	1,804	1,106	4,062
Average annual change (percent)										
1980-1985	-0.3	3.4	5.7	–	-6.1	-16.4	-6.7	-1.5	-4.2	-2.1
1985-1989	1.2	3.5	5.5	44.6	-29.6	-25.9	3.0	6.7	-3.2	-6.3
1989-1996	5.1	4.7	1.8	14.7	21.4	5.2	8.2	5.8	6.6	4.4
1996-2000	-1.1	-3.3	–	44.8	-16.9	-4.7	0.0	6.9	11.8	2.0
2000-2005	2.2	2.3	–	2.0	7.0	-1.3	5.1	2.1	-2.3	2.9
2005-2010	2.4	1.4	–	1.7	-3.9	5.8	1.2	1.7	6.2	7.1
2010-2014	3.6	4.4	–	4.0	11.5	–	-2.6	2.7	–	–

* Deflated by the Consumer Price Index

** Since 2011 this item includes “general administrative expenditures” without inpatient hospitalization

*** Since 2011 this item includes “public health expenditures” only

**** Includes government health expenditures in non-Ministry of Health budgets

Table 10. **Investment expenditures**
as percent of total Education and Health budgets

	Education	Health	Total Education and Health
1980	4.7	4.3	4.5
1985	2.3	2.6	2.4
1989	1.8	1.6	1.7
1996	4.6	5.6	4.9
2000	3.6	2.8	3.4
2005	2.0	1.0	1.6
2006	1.8	1.4	1.7
2007	1.9	1.2	1.6
2008	1.9	1.4	1.7
2009	2.0	1.8	2.0
2010	2.7	2.3	2.6
2011	2.5	2.4	2.4
2012	2.7	1.5	2.3
2013	2.2	1.5	2.0
2014	2.2	1.5	1.9

Definitions and Sources

Definitions

Government social services expenditures include all expenditures on education, health, income maintenance, welfare (personal social services), housing, employment, and immigrant integration by government ministries and agencies and by the National Insurance Institute. The analysis in this book includes the current budget (current expenditures) and the development budget (investments). Government expenditures are treated in net terms, i.e., total expenditures less earmarked revenues from outside agencies (such as co-payments from recipients of services).

The focus is on total government expenditures on in-kind services provided by the government (public consumption) and on subsidies and transfers such as National Insurance allowances, government support of non-governmental health institutions and support of non-governmental schools. Thus, the data reflect the activity of the government as a funding agent for the various social services, irrespective of the agency that delivers them.

The expenditures pertain to fiscal years that correspond to calendar years (January-December).¹ Data are shown in constant 2013 prices. The absolute figures were deflated by either the Consumer Price Index or by an implicit price index for Civilian Public Consumption. Investment expenditure, implemented through the development budget was deflated by the Construction Inputs Price Index.

¹ Until 1990, the fiscal year began on April 1 and ended at the end of the following March. For the transition period – fiscal 1991 – a nine-month budget (April-December) was approved. To facilitate comparison with data from previous years, the 1991 budget expenditures were “translated” into full-year terms by linear extrapolation.

Classification of Social Expenditures

Social service expenditures were functionally classified by main fields (education, health, etc.) irrespective of the agency that delivers the service. This classification is different from that used conventionally in the government budget and in the annual reports of the Accountant General, which categorize expenditures by administrative units (e.g., ministries and departments). Below is a detailed list of items included in each field.

Education. Education expenditures include Ministry of Education outlays for school systems (pre-primary, primary, secondary, post-secondary), general expenses for the education system, government participation in higher education budgets, and government expenditures for vocational training (Ministry of Economy formerly Ministry of Industry, Trade and Labor). Transfers to secondary schools from education levy receipts were also included until this was abolished in 1987.

Health. Health expenditures include Ministry of Health outlays for health services (general inpatient, long-term, and psychiatric care; vocational training; public health services; government participation in the funding of National Health Insurance; and transfer payments to public medical institutions), including Defense Ministry participation in the Health Ministry budget. The National Insurance Institute health expenditures (inpatient maternity care, medical care for work accidents, health outlays under the Long-Term Care Insurance Law, and transfers to the health funds from Parallel Tax receipts until this tax was abolished in 1997) are also included, as are the health expenditures of the Unit for Care of Victims of Nazi Persecution. To facilitate comparison with previous years' data, the health tax that citizens pay through the State Health Insurance Law is treated as a substitute for the sick fund dues that households remitted directly to the sick funds in earlier years and thus not considered here government expenditure. In 2011 there was a structural change to the budget of the Ministry of Health. The change is expressed in two appendixes of direct expenditures – the general inpatient line no

longer includes inpatient hospitalization expenditures rather spending on general administration and the public health service outlays no longer includes additional outlays.

The Social Security System. Social Security System expenditures include all transfers from the National Insurance Institute (with the exception of reserve duty compensation and expenditures explicitly included in other social service fields) and benefits for victims of Nazi persecution.

Other social services. These include government outlays for personal social services (expenditures by the Ministry of Social Affairs and Social Services for the care of children, the elderly, the disabled, and the mentally disabled; community work; and, most expenditures by the National Insurance Institute on account of the Long-Term Care Insurance Law); housing (expenditures by the Ministry of Construction and Housing); employment (expenditures by the Ministry of Economy for labor relations, personnel planning and referral, occupational safety, and employment grant programs); and immigrant integration (expenditures by the Ministry of Immigrant Absorption).

Sources

The data on government expenditures for social services are based on the government's financial statements, prepared by the Accountant General of the Finance Ministry (the 2013-2014 data are original budget data) and on the Statistical Quarterlies of the National Insurance Institute. The explanatory notes attached to the state budget and the Bank of Israel Annual Report for the years at issue were also used. To compute real expenditures, the appropriate price indices supplied by the Central Bureau of Statistics were used.

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