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# Welfare and the Shadow of Warfare

John Gal, Shavit Ben-Porat, and Yael Ovadia

This paper appears as a chapter in the Singer Annual Report Series  
*State of the Nation Report: Society, Economy & Policy 2025*

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Policy Paper No. 19.2025

Jerusalem, December 2025

## Taub Center for Social Policy Studies in Israel

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Please cite this publication as:

Gal, J., Ben-Porat, S., & Ovadia, Y. (2025). *Welfare and the Shadow of Warfare*. Taub Center for Social Policy Studies in Israel. <https://doi.org/10.5281/zenodo.17890510>

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# Welfare and the Shadow of Warfare

John Gal, Shavit Ben-Porat, and Yael Ovadia

## Introduction

The prolonged war in Gaza, which lasted more than two years, and the short war against Iran in June 2025 have largely shaped welfare policy over the past two years, pushing aside other policy initiatives in the welfare and social security spheres. The government was forced to contend with the consequences of the fighting and with a fragile economic environment. Coalition considerations affecting resource allocation, along with the government's avoidance of tax increases, further constrained the functioning of Israel's welfare state, whose resources have remained lower than those in most other welfare states. This reality was reflected in patterns of social expenditure and in the performance of the social security, health, education, and social services systems in 2024. For example, although social spending grew slightly, its share of total government expenditure declined, and this trend is expected to continue through 2025. Moreover, the data on government spending show an increase in social budgets and in new services dedicated to victims of hostilities and to the rehabilitation of communities affected by the war in Gaza. Even so, alongside the inevitable public attention to the ongoing war and its consequences, several significant welfare developments also unfolded during this period.

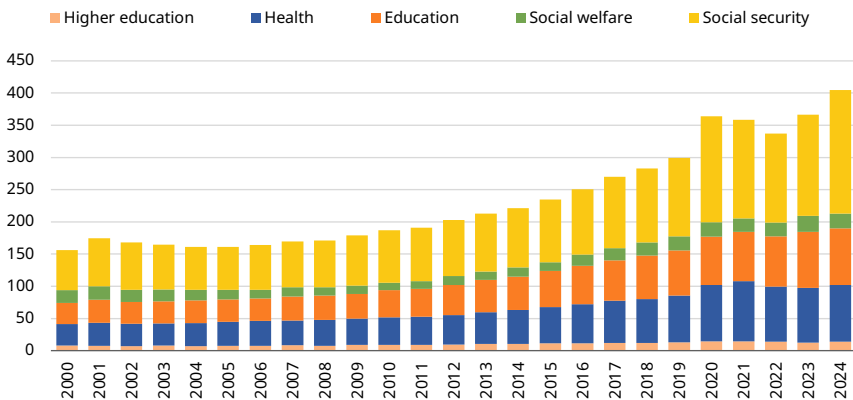
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## Social expenditure

In 2024, NIS 400 billion of government expenditure was allocated to social protection. As shown in Figure 1, public social expenditure grew in real terms by NIS 38 billion compared with 2023 (in 2024 prices). However, most of this increase was related to addressing the war's consequences for both civilians and soldiers. In fact, excluding the increase in spending directly related to the war, the rise in social expenditure amounted to only NIS 11 billion — below the average of the five years preceding the COVID-19 crisis, when it stood at roughly NIS 16 billion per year.

**Figure 1. Social expenditure, by category**  
NIS billion, 2024 prices

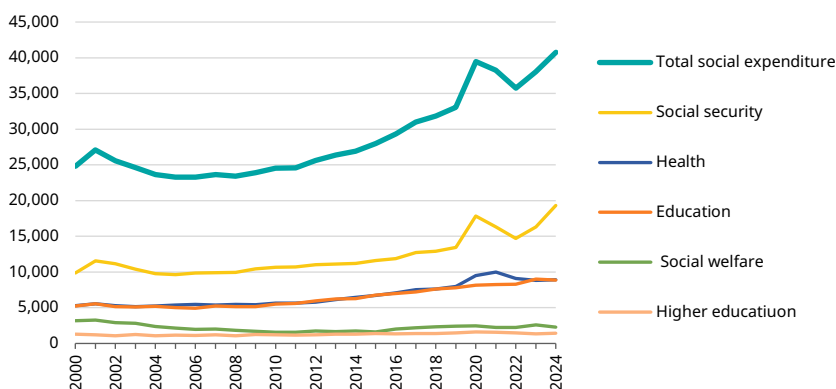


Notes: The social expenditure shown in the figure includes expenditures of the Ministry of Education and the Ministry of Health, as well as spending on higher education; social security expenditure, which includes National Insurance Institute expenditure on cash benefits (including reserve duty compensation), Ministry of Defense spending on the rehabilitation of families and disabled IDF veterans, Israel Tax Authority spending on the Earned Income Tax Credit, and the Holocaust Survivors' Rights Authority; social welfare expenditure, which includes the expenditures of the Ministry of Welfare and Social Affairs, the Ministry of Construction and Housing, the Ministry of Aliyah and Integration, the Ministry for Social Equality and the Advancement of the Status of Women, and the Ministry for the Negev, Galilee and National Resilience; and employment related expenditure by the Ministry of Economy.

Source: John Gal, Shavit Ben-Porat, and Yael Ovadia, Taub Center | Data: Ministry of Finance; NII

An examination of social expenditure per capita over time (Figure 2) shows that in 2024, spending increased by about 7%, reaching NIS 40,784 per person. However, once expenditures directly related to the war are excluded, it becomes clear that per capita spending did not increase and was identical to the level in the previous year.

**Figure 2. Per capita social expenditure**  
NIS

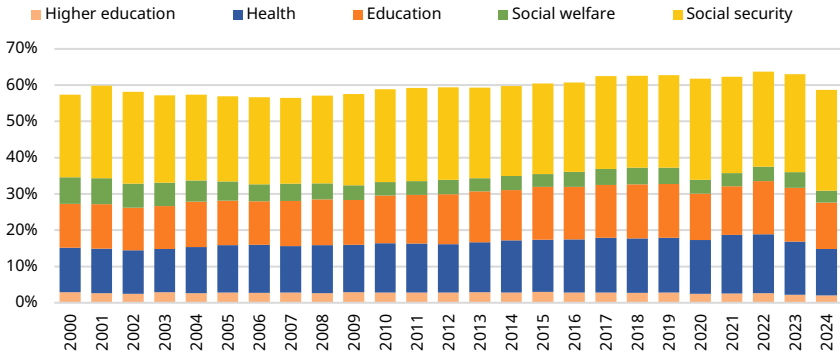


Note: The data in the figure relate to the population of Israel, including East Jerusalem.

Source: John Gal, Shavit Ben-Porat, and Yael Ovadia, Taub Center | Data: Ministry of Finance; NII

As shown in Figure 3, in 2024, social expenditure accounted for 59% of total government spending. This share — the lowest since 2013 — reflects both the increase in government spending on other fields, particularly war-related financing, and the reduction in spending on social areas not related to the war.

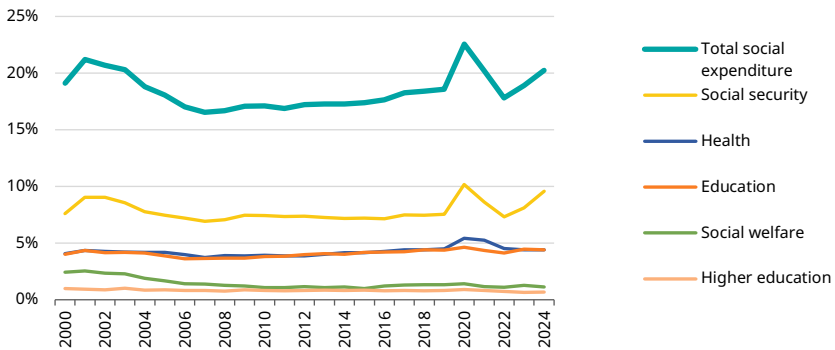
**Figure 3. Share of social expenditure out of total government expenditure, by category**



Source: John Gal, Shavit Ben-Porat, and Yael Ovadia, Taub Center | Data: Ministry of Finance; NII

In 2024, social expenditure amounted to 20% of GDP (Figure 4). Spending on social security stood at 10% of GDP, while spending on education and health was about 4.5%. It is worth noting that in 2024, GDP totaled roughly NIS 2 trillion — about 6.4% higher than in the previous year — compared with an increase of about 14% in social expenditure. This gap largely explains the rise in the share of social expenditure relative to GDP.

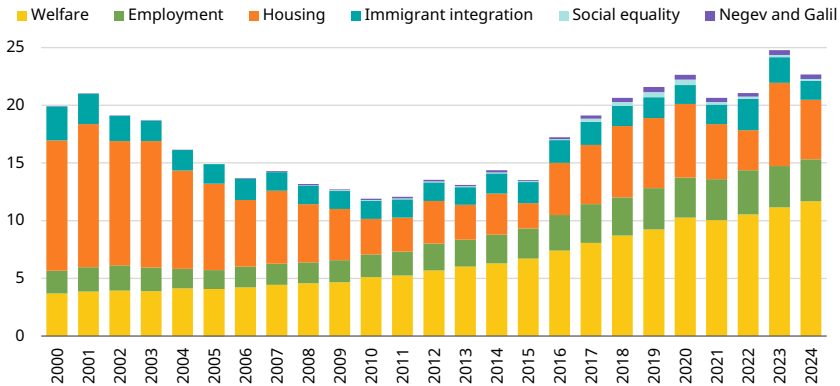
**Figure 4. Social expenditure as a percentage of GDP, by category**



Source: John Gal, Shavit Ben-Porat, and Yael Ovadia, Taub Center | Data: Ministry of Finance; NII

Examining the areas of social welfare — that is, the services provided by the government’s social ministries other than the Ministries of Education and Health — shows that in 2024, expenditure on these areas declined relative to 2023 (Figure 5). The main reason was a reduction of roughly 29% in spending on housing (for further discussion, see the final section of the chapter). In fact, among all social welfare areas, only spending on employment and on areas under the responsibility of the Ministry of Welfare and Social Affairs increased, and even there the growth was relatively modest.

**Figure 5. Expenditure by social welfare categories**  
NIS billion, 2024 prices



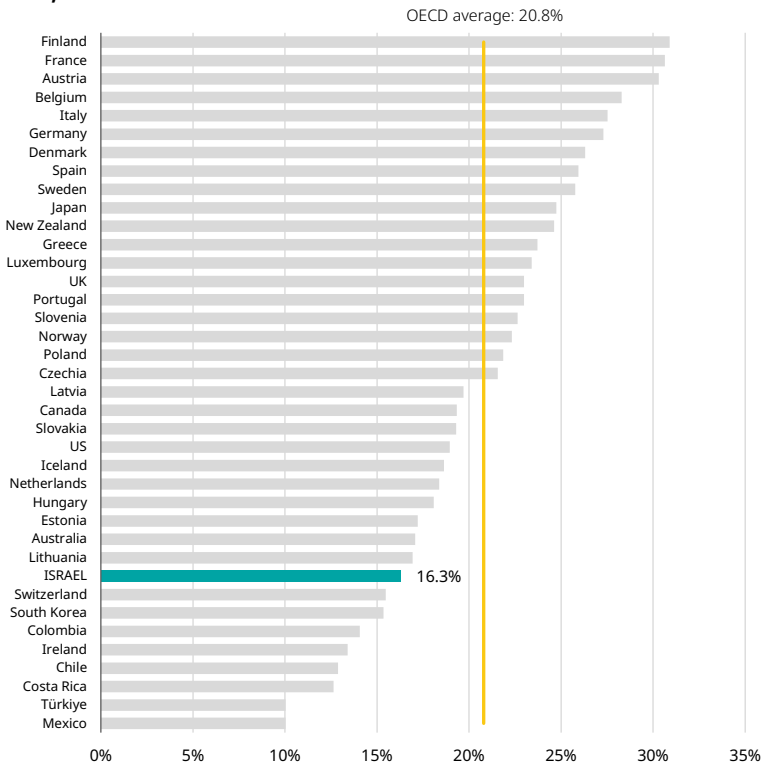
Source: John Gal, Shavit Ben-Porat, and Yael Ovadia, Taub Center | Data: Ministry of Finance

Compared with other welfare states, and even with countries not considered advanced welfare states, Israel's social expenditure remains low and falls short of meeting the population's needs.<sup>1</sup> The persistent difficulty in addressing poverty and inequality — whose levels in Israel are considerably higher than in most welfare states — is clear evidence of this (Kasir et al., 2024). As shown in Figure 6, the welfare states with the highest levels of social expenditure

1 The measurement of social expenditure used for the international comparison (Figure 6) differs from the comparison presented above (Figures 1–4) and was carried out under different definitions.

allocate 25%–30% of their GDP to social issues (excluding education), and the OECD average for public social expenditure stands at 20.8% of GDP. Only a small number of countries allocate a smaller share to social protection than Israel (16.3%). It is noteworthy that even countries not considered advanced welfare states — such as Slovenia, Poland, Czechia, Latvia, Slovakia, Hungary, and Estonia — devote a higher share of their GDP to social spending than Israel does.

**Figure 6. Public social expenditure as a percent of GDP in OECD countries, 2023**



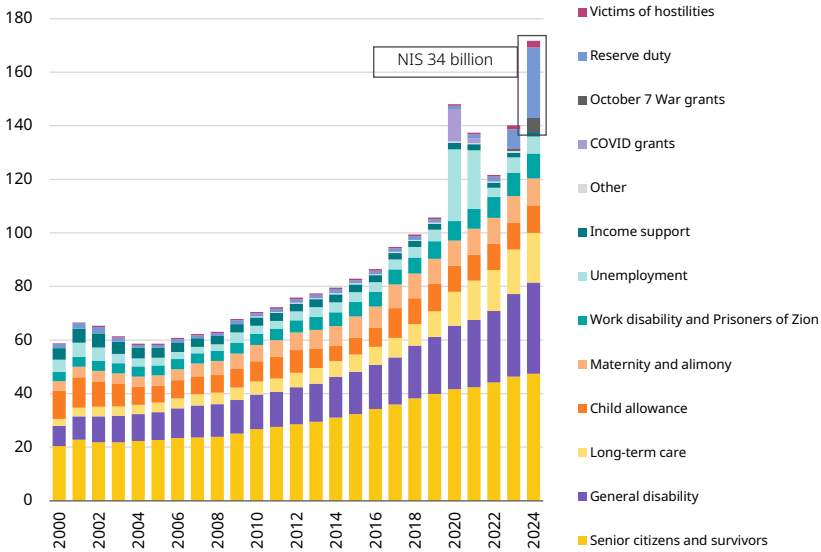
Note: Expenditure includes spending in social areas, among them health, and does not include expenditure on education, except for early childhood education. For countries where data were not available for 2023, 2022 data were used.

Source: John Gal, Shavit Ben-Porat, and Yael Ovadia, Taub Center | Data: OECD

## Social security

The social security system, which addresses social needs by providing benefits intended to increase the incomes of individuals and families, is the most significant component (in terms of spending) of Israel's welfare state. This system includes cash assistance to citizens through the National Insurance Institute; activities of the Ministry of Defense's Rehabilitation Department; and grants provided by the Ministry of Finance to certain population groups (such as the Earned Income Tax Credit, assistance for Holocaust survivors, and assistance for victims of the 2025 war with Iran). The largest component of social security expenditure is the benefits paid by the National Insurance Institute. In 2024, their cost totaled NIS 172 billion, compared with NIS 140 billion (in 2024 prices) in 2023 (Figure 7). The increase in National Insurance benefits in 2024 reflects several notable developments. In some cases, these are multi-year growth trends in spending on specific areas, driven by demographic processes (such as population growth or aging) and by policy changes. This is pertinent for disability and long-term care benefits: due to policy changes in these areas, recent years have seen increases both in the number of eligible recipients and in benefit levels. For example, between 2023 and 2024, spending on general disability benefits rose by more than NIS 3 billion, and spending on long-term care benefits increased by roughly NIS 2 billion. By contrast, unlike most National Insurance programs, spending on the income support benefit continued to decline in 2024, amounting to only NIS 1.64 billion (compared with NIS 1.7 billion in 2023). This figure reflects a decrease in the number of recipients of this benefit — which provides a last-resort safety net for those with no income or very low incomes — from 60,316 in 2023 to 57,093 in 2024. It is evident that this trend, which has characterized the benefit in recent years, continued into 2025 as well.

**Figure 7. National Insurance Institute benefits, by type**  
NIS billion, 2024 prices



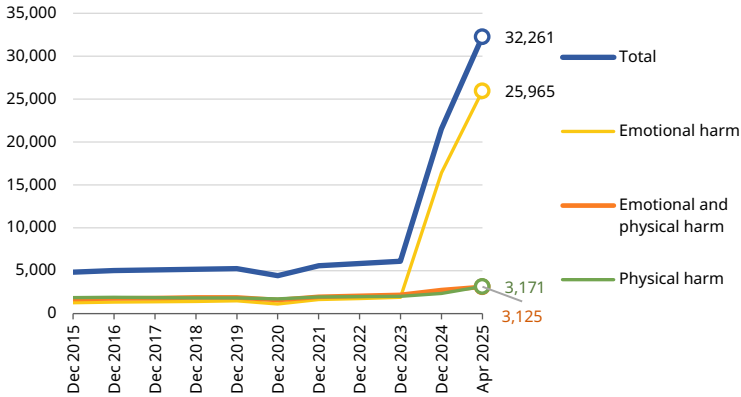
Source: John Gal, Shavit Ben-Porat, and Yael Ovadia, Taub Center | Data: NII

The impact of the war in 2024 and 2025 on the activities of the National Insurance Institute and on the Ministry of Defense’s Rehabilitation Department is particularly striking. In 2025, additional assistance was introduced for victims of the Iranian missile attacks. In 2024, National Insurance spending on victims of hostilities, reserve duty service, and the October 7 War grants totaled roughly NIS 34 billion. Most of the increase stemmed from the dramatic rise in spending on reserve duty service, which grew from just NIS 1.7 billion in 2022 to about NIS 26 billion in 2024. Spending on October 7 War grants that year amounted to NIS 5.3 billion. These expenditures, which are a direct result of the wartime situation, are financed entirely from the state budget; government ministries transfer the funds directly to the National Insurance Institute, without relying on National Insurance contributions from employees and employers. Moreover, eligibility for these benefits depends not on income but on meeting specific conditions.

Grants for evacuees and war victims, as well as reserve duty compensation, are limited to the duration of the war; other benefits — such as compensation for victims of hostilities with long-term disability, or benefits provided by the Ministry of Defense's Rehabilitation Department to IDF veterans with disabilities and to families of fallen soldiers — will remain part of the social security system for many years to come. Any changes to these programs resulting from the war are thus especially significant.

In the past, the program for victims of hostilities was small, as the number of eligible recipients was relatively low. The decision to make this program the primary framework for assisting civilians harmed in the October 7 massacre and in the subsequent months of war marked a major shift. Immediately after the massacre, the program issued a one-time payment to a broad population. It is now processing requests for disability recognition, determining disability ratings, and deciding on the long-term assistance required by victims. The scope and nature of the assistance provided to those recognized as victims of hostilities are intended to match those provided by the Ministry of Defense to IDF veterans with disabilities. As shown in Figure 8, the changes to this program are highly significant, both in terms of the number of eligible recipients and the characteristics of their injuries. In 2022, the number of victims of hostilities stood at 5,706, and by April of 2025, the numbers were 32,261. The distribution of newly recognized victims since October 7, 2023, indicates that the majority — 24,212 — suffer from psychological injury; 1,169 from physical injury; and another 1,048 from both psychological and physical injury. The National Insurance Institute has reported that its medical committees are reviewing an additional 45,000 requests for recognition of injury (published on the National Insurance Institute website, April 25, 2025). This implies a substantial increase in resources allocated to the program for victims of hostilities, both now and in the coming years. Spending on this program grew from NIS 613 million in 2022 to NIS 2.5 billion in 2024.

**Figure 8. Total number of victims of hostilities, by officially recognized disability type**



Source: John Gal, Shavit Ben-Porat, and Yael Ovadia, Taub Center | Data: NII

## Ministry of Defense Rehabilitation Department

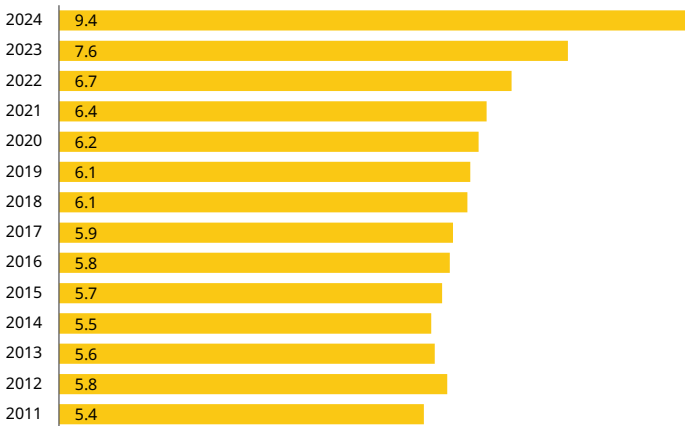
Another consequence of the prolonged war is the dramatic increase in the number of IDF service-related casualties. In addition to the soldiers who have been killed so far, there are also a large number of individuals classified as disabled IDF veterans. As shown in Figures 9 and 10, the number of disabled veterans served by the Ministry of Defense's Rehabilitation Department rose from 116,300 in 2022 to 132,172 in 2024. As a result, the budgets of both the Rehabilitation Department and the Department of Families, Commemoration, and Heritage increased sharply, from NIS 6.7 billion in 2022 to NIS 9.4 billion in 2024 (Figure 10). Against the backdrop of the substantial overall increase in the Ministry of Defense's budget due to the war, this component's share of the ministry's total budget decreased — from about 10% in the period before the war to roughly 6% during the war.

**Figure 9. Disabled IDF veterans entitled to care provided by the Ministry of Defense Rehabilitation Department**



**Figure 10. Annual expenditure by the Rehabilitation Department and the Department of Families, Commemoration and Heritage in the Ministry of Defense**

NIS billion



Source for both figures: John Gal, Shavit Ben-Porat, and Yael Ovadia, Taub Center | Data for both figures: Ministry of Defense, Freedom of Information Reports; Ministry of Finance

## SPOTLIGHT

# Care for Victims of Rocket Fire from Iran

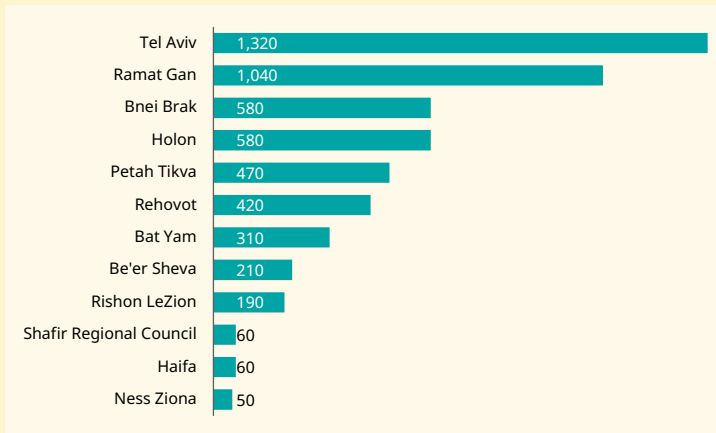
The war with Iran, which began when Israel struck Iran on June 13, 2025, lasted 12 days. During this period, there were more than 50 impact sites in Israel from missiles or missile fragments launched from Iran, 31 people were killed and 3,508 were injured. The missile strikes also caused extensive damage to residential buildings in 12 local authorities, and roughly 21,000 residents were forced to leave their homes due to varying levels of damage (Shachar & Lerer, 2025).

The Property Tax and Compensation Fund Law regulates compensation for those whose homes are damaged as a result of hostilities or war in Israel. Responsibility for evacuees rests with the Tax Authority's Compensation Fund and the local authorities in whose jurisdictions the damage occurred. The Tax Authority is primarily responsible for financing the damage repairs, but in practice its representatives also handle additional tasks, such as contacting affected residents immediately after an incident and providing information to the public. The local authorities are responsible for the actual evacuation and for providing all other welfare services to evacuees.

Initially, a short-term solution was offered to those affected by the strikes: anyone whose home was deemed uninhabitable was entitled to two weeks of alternative housing — either a hotel room funded by the Compensation Fund, or a NIS 4,000 grant for self-evacuation or staying with family members. By the end of

hostilities, the Hotel Association estimated that roughly 12,000 people had been evacuated to about 90 hotels and guesthouses across the country. A longer-term solution was then offered: those requiring extended stays in alternative housing could apply to the Compensation Fund for rental payments covering an apartment similar to the one damaged. An alternative long-term option was to continue self-evacuation and receive payments based on the household composition, according to criteria set by the Tax Authority. According to estimates, 5,380 households required long-term alternative housing. As shown in Figure 11, most of the damage occurred in Tel Aviv and Ramat Gan.

**Figure 11. Households requiring alternate housing solutions following rocket attacks from Iran, July 2025**



Note: Data are based on estimates rounded to tens and are accurate to July 29, 2025.

Source: John Gal, Shavit Ben-Porat, and Yael Ovadia, Taub Center | Data: Shachar & Lerer, 2025

In June, following a government decision, the emergency procedure was updated and hotel stays were extended from two weeks to 30 days (until August 1, 2025). Those who wished to remain in hotels beyond that date were required to apply to a committee of the Compensation Fund. By early September, 692 people from Tel Aviv, Ramat Gan, and Petah Tikva who were still staying in hotels had submitted applications — most of them older adults, people with disabilities, and individuals known to the welfare authorities (Shachar & Lerer, 2025).

Following the missile strikes, the Tel Aviv local authority developed an online platform for locating apartments and it offered discounts on municipal parking and summer camp registration fees. The Ramat Gan local authority provided grants to their employees who had been evacuated from their homes, as well as to bereaved parents and widows who were evacuated. Additional official entities offered benefits and discounts to evacuees, such as reduced fares on public transportation, deferred mortgage and loan payments, and relief measures for individuals with debts in enforcement proceedings. Organizations such as the Jewish Agency and the International Fellowship of Christians and Jews distributed grants to evacuated families through local authorities.

A State Comptroller's report included criticism of the handling of the evacuees, particularly the absence of a government body responsible for coordinating hotel evacuations (State Comptroller, 2025). Municipal leaders told Ombudsman representatives that the National Emergency Authority instructed them to contact hotels directly but did not establish guiding criteria, which led local authorities to compete with one another for certain hotels and resulted in large disparities between them in hotel characteristics. Criticism of the hotel evacuation process also appeared in a report by the Knesset Research and Information Center (Shachar & Lerer, 2025). The lack of a coordinating body

for hotel evacuations was also evident during the Gaza war (Gal et al., 2024), although that conflict involved the evacuation of tens of thousands of people and much longer hotel stays.

The September 2025 report of the Knesset Research and Information Center addressed the shortage of personnel in the welfare services of the Bat Yam municipality — a shortage that exists even in routine times but was especially pronounced during the war. The report noted that although the Ministry of Welfare and Social Affairs transferred a flexible-use budget to the municipality at the start of the war, it did not help recruit new staff or ease the burden on existing workers. Shortly after the war ended, residents of the Haredi city of Bnei Brak whose homes had been damaged claimed that the municipality was discriminating against them and denying them their entitlements, in part because the residents were secular. Additional allegations reported in the media, though not mentioned in official state reports, describe unjustified evacuations of residents and the prolonged, unnecessary hotel stays of hundreds of city residents.

## **The social security system: Between universality and selectivity**

A common claim about Israel's social security system is that in recent decades it has undergone a substantial shift in its characteristics that is influenced by neo-liberal ideas. In particular, it is argued that the system's universal features have eroded and been replaced by more selective approaches. In other words, access to benefits depends today more than in the past on meeting an income test that conditions eligibility on demonstrating very low income — unlike the universal approach, which conditions eligibility for benefits on a range of criteria (such as a qualifying period for maternity benefits, a minimum age for the old-age pension, or involuntary job loss for unemployment benefits) but

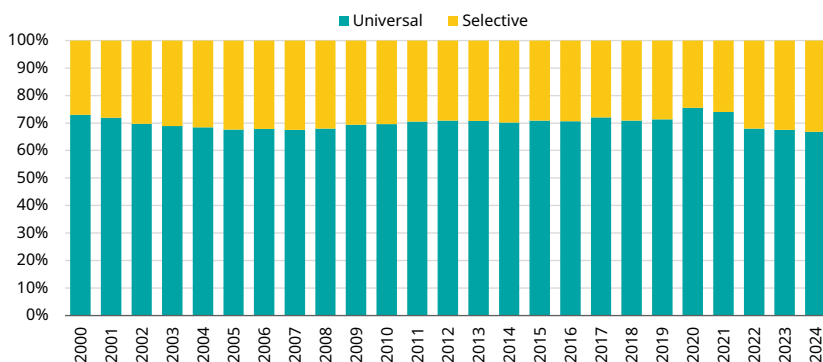
does not condition eligibility on the income level of the individual or household. The universal approach reflects an effort to make the social security system accessible to the entire population in cases of income loss or clear household need, whereas the selective approach targets social security programs toward the population living in poverty, whose economic need is clear and demonstrable.

In the past, Israel's social security system was characterized by a universal approach, alongside several selective programs intended to provide a social safety net for specific population groups. This structure was designed to offer a last-resort safety net for those in greatest need, while also ensuring that the general population felt that anyone experiencing income loss would receive social protection. Nevertheless, many of the programs were not generous enough, and the eligibility conditions set for them were complex. The universal features of the system made it possible to avoid stigmatizing recipients, to streamline lengthy bureaucratic procedures for determining need, and to reduce non-take-up — phenomena that tend to characterize selective programs requiring income tests.

We sought to examine whether, over the past two decades, a meaningful change has in fact occurred in the structure of the social security system — whether it now leans more toward selectivity than universality. Figure 12 presents the findings and tracks long-term changes in the two types of National Insurance Institute benefits. Universal benefits, for which income level is not a condition for eligibility, include the old-age pension, survivors' benefits, child allowance, maternity benefits and birth grant, unemployment benefits, work-injury insurance, and benefits for victims of hostilities. Selective benefits, for which only individuals below a certain income threshold qualify, include the general disability benefit, the income supplement for older adults, the income support benefit, and alimony allowances. The Long-Term Care Law also includes a substantial selective component aimed at preventing benefit eligibility for older adults with high incomes. According to estimates, 38% of older-adult households have income above the maximum threshold defined by the law's income test (Schnoor et al., 2021). While the universal grants adopted during the COVID-19 period and the war, as well as reserve duty compensation, are universal in nature, they were excluded from the analysis due to their exceptional and temporary character.

The results indicate that throughout the entire period examined, spending on universal benefits has remained the dominant component of National Insurance Institute benefit expenditure — about 70% of total spending. At the beginning of the 2000s, a moderate shift in the expenditure structure was evident, in favor of selective benefits. This trend has continued in recent years, driven by increases in disability and long-term care benefits. The share of expenditure on selective benefits rose from 29% before the COVID-19 pandemic to 33% in 2024.

**Figure 12. Change in the structure of NII allowances: Universal versus selective allowances**



Source: John Gal, Shavit Ben-Porat, and Yael Ovadia, Taub Center | Data: Shachar and Lerer, 2025

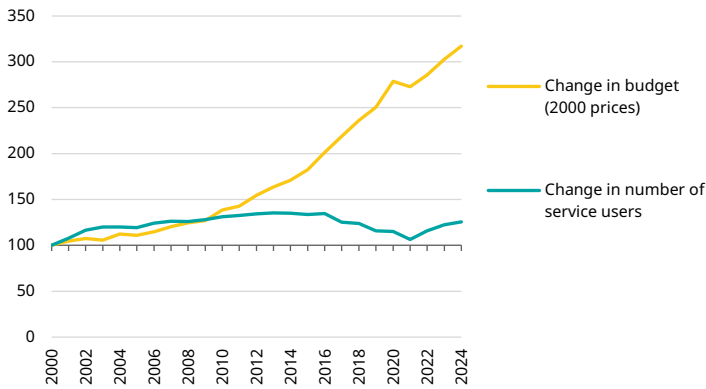
## The Ministry of Welfare and Social Affairs

The Ministry of Welfare and Social Affairs is the largest social ministry after the Ministry of Education and the Ministry of Health, and it receives half of all social welfare spending. Most of its budget is directed toward welfare services provided through the social service departments in every local authority in Israel and through various welfare institutions across the country. More than 80% of the budget funds outsourced services, and the ministry functions primarily as a funder and regulator (Gal, 2025).

An examination of changes in the Ministry of Welfare and Social Affairs' budget over time (Figure 13) shows that after a decade of moderate growth, accelerated expansion began in 2010. The ministry's budget increased from about NIS 5.1 billion in 2010 to about NIS 11.7 billion in 2024 — an increase of 2.3 times in real terms. This trend differs from the pattern observed in the number of service users, which remained fairly stable over the period examined and even declined slightly in some years.

**Figure 13. Changes in the budget of the Ministry of Welfare and Social Affairs and in the number of service users**

Base year: 2000

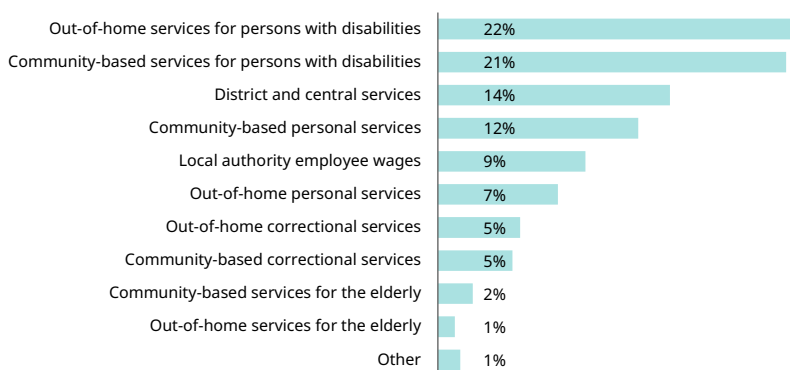


Source: John Gal, Shavit Ben-Porat, and Yael Ovadia, Taub Center | Data: Ministry of Finance; Ministry of Welfare and Social Affairs

An analysis of the Ministry of Welfare and Social Affairs' budget between 2010 and 2024 shows that most of its growth stemmed from increased spending on services for people with disabilities. Although out-of-home services for people with disabilities — that is, placement of individuals with disabilities in residential institutions — were already a major budget component at the start of the period, spending on these services more than doubled over time (see Appendix Figure 1). A look at the sources of this growth (Figure 14) shows that about 22% of the total increase in the ministry's budget resulted from growth in this area; an additional 21% came from increased spending on community-

based services for people with disabilities. These were followed by notable increases in spending on district and central services (14%) and on personal community services (12%). Finally, there were also increases in spending on salaries for local authority welfare workers (9%) and on out-of-home personal services (7%). Growth in other areas — such as out-of-home correctional services and community correctional services — was even more limited, and the smallest increase of all was in spending on services for older adults (3% for out-of-home and community services combined).

**Figure 14. The contribution of budget components to the increase in the total budget, 2010–2024**



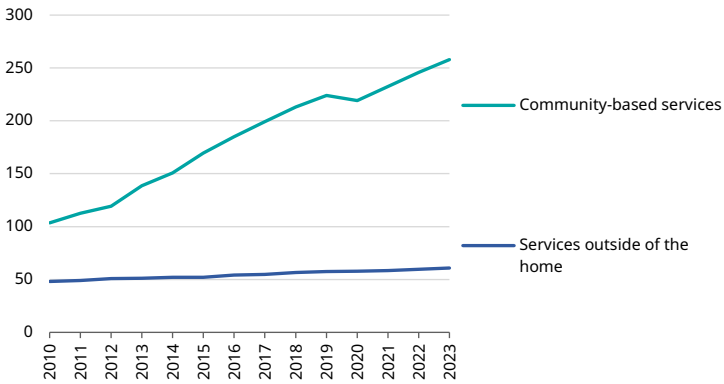
Note: Correctional services refers to services provided to youth and adults at risk, offenders, and victims of crime.

Source: John Gal, Shavit Ben-Porat, and Yael Ovadia, Taub Center | Data: Ministry of Finance

When examining total expenditures on out-of-home services across the various areas (that is, all services provided to individuals living outside their homes, such as residential institutions) and total expenditures on the various components of community-based services (provided to individuals living in their own homes), it becomes clear that about 35% of the overall increase resulted from growth in spending on out-of-home services, and about 40% from growth in spending on community-based services.

At the same time, an examination of the number of individuals enrolled in out-of-home frameworks (Figure 15) shows that from 2010 to 2022 their number increased moderately — especially compared with the number enrolled in community-based frameworks, which grew 2.5-fold over the same period. It appears that the growth in the ministry’s budget reflects both rising costs of the services themselves, at least for out-of-home services, and changes in policy.

**Figure 15. Registered service users by service framework**  
Thousands



Source: John Gal, Shavit Ben-Porat, and Yael Ovadia, Taub Center | Data: Ministry of Welfare and Social Affairs

## SPOTLIGHT

## Legal Representation in the Treatment Planning and Assessment Committee

Significant decisions regarding how to address the needs of children at risk are made in Treatment Planning and Assessment committees (*decision committees*), which operate within the social services departments of local authorities. These committees are a central mechanism for determining the appropriate course of action for children at risk. For example, in 2022, 17,695 such committees convened and discussed treatment plans for 28,236 children (Ministry of Welfare and Social Affairs, 2024a). In September 2025, a Supreme Court ruling addressed the conduct of these committees and instituted a far-reaching change.

Treatment planning and assessment committees consist of multidisciplinary teams whose task is to formulate a detailed treatment plan for the child at risk and for their family, including defining treatment goals and outlining the process of implementation. In the first two decades of the 2000s, policy reforms were introduced to improve the functioning of these committees — among them measures to ensure the participation of family members in committee discussions, and even of the child (if aged 12 or older), based on the understanding that their views should be considered when recommendations are formulated. In recent years, additional clear procedures have been developed for how these committees should conduct their deliberations, along with tools designed to ensure proper implementation.

Nonetheless, research shows that the use of these tools is limited, and the full participation of parents in the committees and in shaping their recommendations remains complex and is often not adequately realized (Alfandari, 2017; Ben-Gal, 2022).

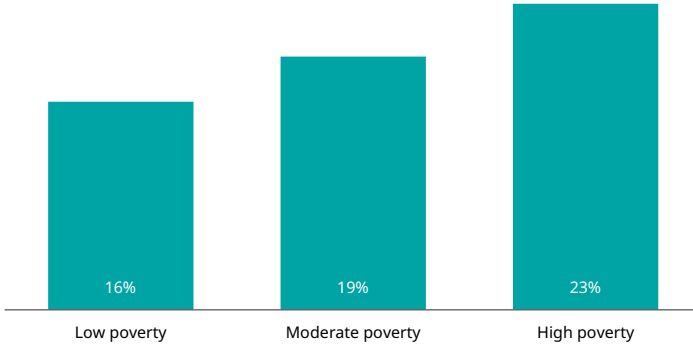
Professionals at the Ministry of Welfare and Social Affairs do not view the deliberations of these committees as legal proceedings, but rather as therapeutic processes. Consequently, committee members are treatment professionals, and the emphasis in the discussions is on therapeutic dialogue. Until recently, even when a family was represented by an attorney, the attorney did not participate in the committee discussion and was present only in pre-discussion meetings. In December 2023, the Association for Civil Rights in Israel (ACRI) petitioned the Supreme Court on this matter. The Ministry of Welfare and Social Affairs agreed to allow attorneys to attend committee hearings, but only as observers. ACRI insisted on active legal representation, arguing that this would help parents express their positions. Representatives of ACRI argued that the right to representation is a fundamental right, anchored in the Bar Association Law, and that restricting it requires explicit statutory authorization — which does not exist. A Supreme Court panel of three justices, headed by Justice Yosef Elron, accepted the ACRI's position and ruled that legal representation must be permitted in the committees' deliberations. The ruling stated: "Legal representation is of immense importance for parents whose children's cases are being considered by the committees — parents who often belong to the most vulnerable groups in society." Justice Elron noted that the Ministry's decision to bar legal representation in these hearings was taken without legal authority (Davar, 2025). There is no doubt that this ruling will significantly alter the nature of deliberations in Treatment Planning and Assessment Committees.

## The shortage of social workers in social welfare departments

Social workers are the primary professionals in social services departments. These departments provide welfare services and respond to the personal and social needs of hundreds of thousands of residents in Israel. One of the key challenges facing the welfare system in recent years is the severe difficulty in staffing positions in these departments. Although the labor market includes a large supply of qualified social work graduates, the Ministry of Welfare and Social Affairs — the main funder of these professionals — struggles to recruit social workers to the social service departments and to retain those already employed. Today, 18% of positions in social services departments nationwide are unfilled. This means that the system is short 1,333 social workers. Findings from a recent study published by the Ministry of Welfare and Social Affairs show that about 40% of social workers who begin working in social service departments leave within a few years. Of those who leave, 55% leave in their first year and another 15% in their second year (Ministry of Welfare and Social Affairs, 2024b).

Our analysis indicates that the difficulty in staffing positions in social services departments is more severe in localities with the highest levels of social distress, where the need for social workers is greatest. Figure 16 presents the share of unfilled positions by poverty level of the locality. The figure shows that the share of vacant positions in localities with high poverty rates (more than 25% of families in the locality living in poverty) is considerably higher than in localities with low poverty rates (up to 15% of families). In high-poverty localities, 23% of positions are unfilled, compared with 16% in low-poverty localities.

**Figure 16. Share of unfilled positions, by locality poverty level**

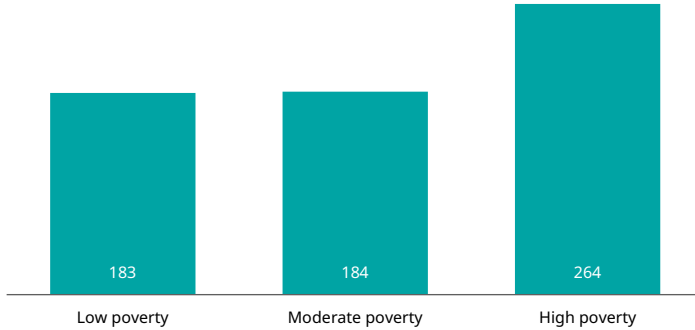


Notes: A social work position is defined as a position funded by the ministry. The sample includes 173 local authorities. Localities with fewer than 5,000 residents, regional councils for which poverty data are not available, and Jerusalem were excluded. Jerusalem was omitted because its unique characteristics substantially skewed the results for the high-poverty group (if Jerusalem is included, the share of vacant positions in high-poverty localities is 19%). Localities were classified into three poverty categories based on their distribution (bottom, middle, and top third): “Low poverty” — up to 15% of families in the locality living in poverty; “Moderate poverty” — 15%–25%; “High poverty” — more than 25%.

Source: John Gal, Shavit Ben-Porat, and Yael Ovadia, Taub Center | Data: Job position data (accurate to August 2025) are from the Ministry of Welfare and Social Affairs; poverty data are taken from Kasir et al., 2023 (data for 2022)

Another aspect examined is the workload placed on social workers in the social services departments. This factor has a decisive impact both on the quality of care provided to service recipients and on burnout experienced by professionals. Workload has been identified as the primary source of dissatisfaction among social workers and the main reason why half of them choose to leave their positions in the social services departments (Ministry of Welfare and Social Affairs, 2025). In this study, workload was measured as the number of service users in a locality per funded, staffed social work position under the Ministry of Welfare and Social Affairs (there are also positions funded solely by local authorities, but full data on them are not available). The findings show that in the poorest localities, the number of service users per social worker is higher (an average of 264) than in localities with moderate or low poverty rates (184 and 183, respectively) (Figure 17).

**Figure 17. Number of service users per filled social work positions, by locality poverty level**

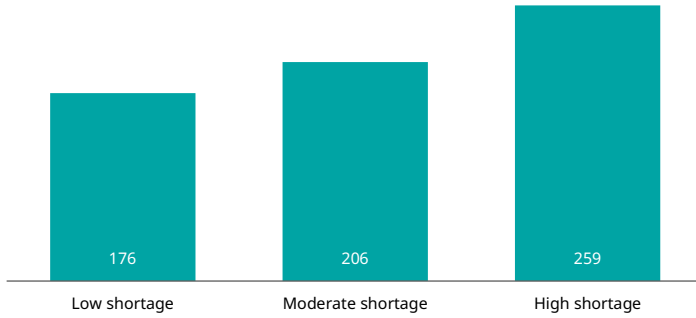


Notes: A social work position is defined as a position funded by the ministry. The sample includes 173 local authorities. Localities with fewer than 5,000 residents, regional councils for which poverty data are not available, and Jerusalem were excluded. Jerusalem was omitted because its unique characteristics substantially skewed the results for the high-poverty group (if Jerusalem is included, the number of service recipients per social work position in high-poverty localities is 243). Localities were classified into three poverty categories based on their distribution (bottom, middle, and top third): “Low poverty” — up to 15% of families in the locality living in poverty; “Moderate poverty” — 15%–25%; “High poverty” — more than 25%.

Source: John Gal, Shavit Ben-Porat, and Yael Ovadia, Taub Center | Data: Job position data (accurate to August 2025) and data regarding the number of service users (accurate to the end of 2024) are from the Ministry of Welfare and Social Affairs; poverty data are taken from Kasir et al., 2023 (data for 2022)

When examining the shortage of social workers together with the workload, the disparities between local authorities become clear (Figure 18). In authorities with a high shortage of professional staff (more than 24% of social work positions vacant), the average number of service users per social worker is higher (259) than in authorities where the shortage is smaller (176). This finding highlights the problematic cycle: understaffing creates heavier workloads, and heavy workloads make it even more difficult to attract additional social workers to fill the vacant positions.

**Figure 18. Number of service users per filled social work positions, by social worker shortage levels**

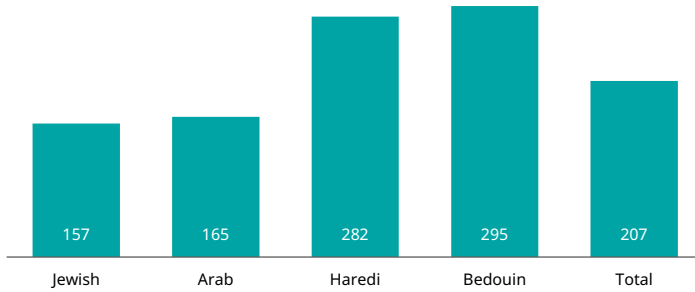


Notes: A social work position is defined as a position funded by the ministry. Localities were classified into three shortage categories based on their distribution (bottom, middle, and top third): “Low shortage” — up to 14% of social work positions vacant; “Moderate shortage” — 14%–24%; “High shortage” — more than 24%.

Source: John Gal, Shavit Ben-Porat, and Yael Ovdia, Taub Center | Data: Job position data (accurate to August 2025) and data regarding the number of service users (accurate to the end of 2024) are from the Ministry of Welfare and Social Affairs

An examination of the data by locality characteristics and population groups shows clear differences in the workload placed on social workers; in Haredi and Bedouin localities, the number of service users per staffed social work position is higher (Figure 19).

**Figure 19. Number of service users per filled social work positions, by locality characteristics**

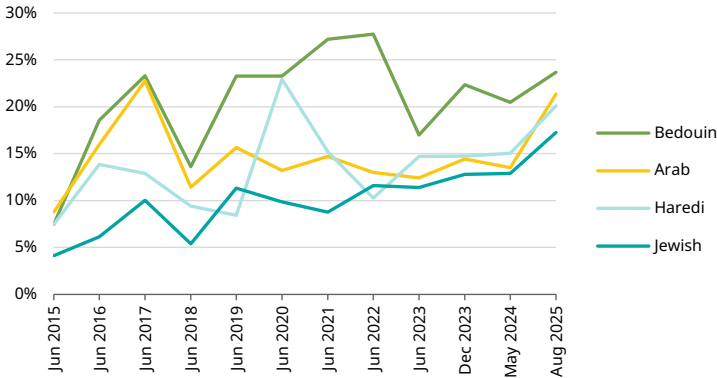


Note: A social work position is defined as a position funded by the ministry.

Source: John Gal, Shavit Ben-Porat, and Yael Ovdia, Taub Center | Data: Job position data (accurate to August 2025) and data regarding the number of service users (accurate to the end of 2024) are from the Ministry of Welfare and Social Affairs

The groups also differ in the share of unfilled positions (Figure 20). In Jewish localities (excluding Haredi ones), the average share of vacant positions is relatively low — about 17% — whereas in Arab localities, and especially in Bedouin localities, it is substantially higher, reaching about 24%. As shown in Figure 20, although the share of vacant positions fluctuates considerably over time, the trends are clear: a severe shortage in Bedouin and Arab localities compared with Jewish localities, alongside an overall upward trend in the share of unfilled positions.

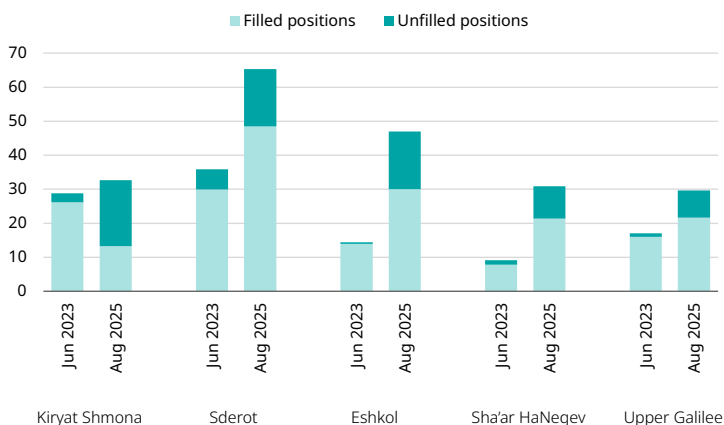
**Figure 20. Trends in the share of unfilled social work position, by locality characteristics**



Note: A social work position is defined as a position funded by the ministry.

Source: John Gal, Shavit Ben-Porat, and Yael Ovadia, Taub Center | Data: Ministry of Welfare and Social Affairs

The Ministry of Welfare and Social Affairs increased the number of social worker job positions to address the needs that emerged during the war in Gaza, particularly in the most heavily affected localities. The rise in vacancy rates since June 2023 stems from a substantial addition of positions in response to these needs (1,018 new positions). In addition, a series of measures were implemented to address the shortage of social workers in the social service departments, including raising salaries for social workers in these departments. However, these measures have not yet yielded results and have not led to a meaningful improvement in vacancy levels. This is especially evident in the localities evacuated following the events of October 7. In the authorities defined as evacuated, the staffing situation changed dramatically: the number of vacant positions across these authorities increased from 15 to 99, and the staffing rate fell from about 92% to 71%. Figure 21 presents staffing levels before October 2023 and in August 2025 in selected evacuated authorities. The figure shows that, although many new positions were added due to increased needs, only some were filled, and a large number remain vacant. Kiryat Shmona stands out in particular, with a relatively small increase in positions and a substantial decline in the staffing of existing positions.

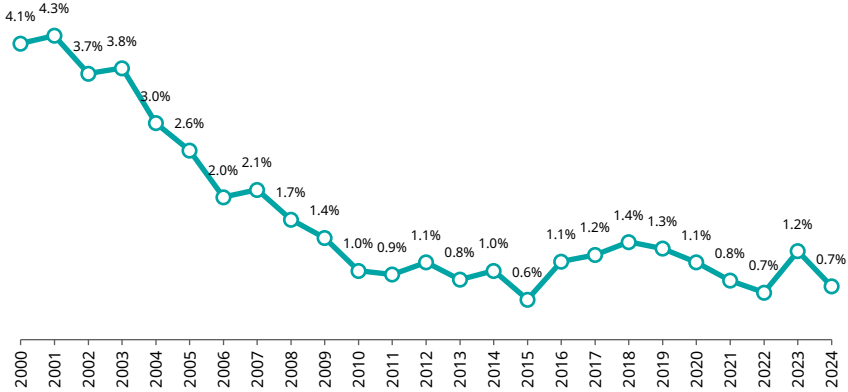
**Figure 21. Filling social work positions in selected evacuated localities**

Source: Kaidar, Gal, Ben-Porat, and Ovadia, Taub Center | Data: Ministry of Welfare and Social Affairs

## Ministry of Construction and Housing

The Ministry of Construction and Housing is the central government body responsible for implementing public housing policy and housing assistance, including managing the public housing stock and providing rent subsidies. Public investment in housing in recent decades — reflected in the ministry's share of total government expenditure — is shown in Figure 22. At the beginning of the 2000s, housing expenditure accounted for more than 4% of total government spending, but over that decade it declined sharply to about 1% in 2010. Since then, the share has fluctuated around this level, reaching only about 0.7% in 2024.

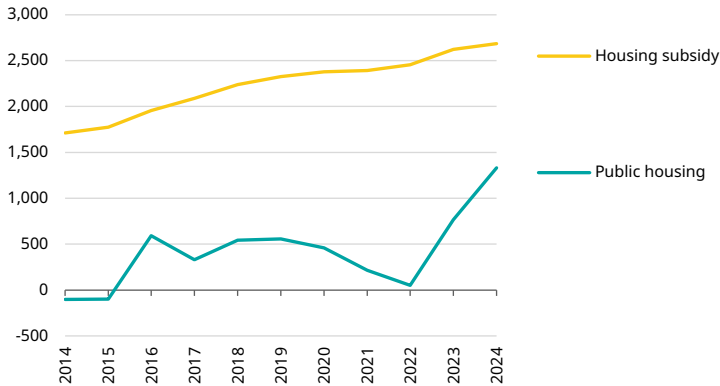
**Figure 22. Expenditure on housing out of total government expenditure**



Source: John Gal, Shavit Ben-Porat, and Yael Ovadia, Taub Center | Data: Ministry of Finance

Among the Ministry of Construction and Housing’s core responsibilities are two main assistance mechanisms: rent subsidies, provided through monthly contributions toward rent for eligible households living in private market housing; and public housing, provided through the placement of eligible households in state-owned apartments. Trends in expenditure on these two components over the past decade are shown in Figure 23. Spending on rent subsidies rose steadily from about NIS 1.7 billion in 2014 to about NIS 2.7 billion in 2024, while spending on public housing remained low and volatile. Public housing expenditure includes a range of components, such as budgets for purchasing new units for the stock, renovation and maintenance of existing units, and offsetting revenues from the sale of units. Because of this offset mechanism, in years when revenues from sales exceeded other expenditures, this budget item even recorded negative expenditure (i.e., net revenue). In recent years (2023–2024), following dedicated allocations for purchasing new units, a renewed increase in spending in this area is evident.

**Figure 23. Expenditure on public housing and rent subsidies**  
NIS million, 2024 prices

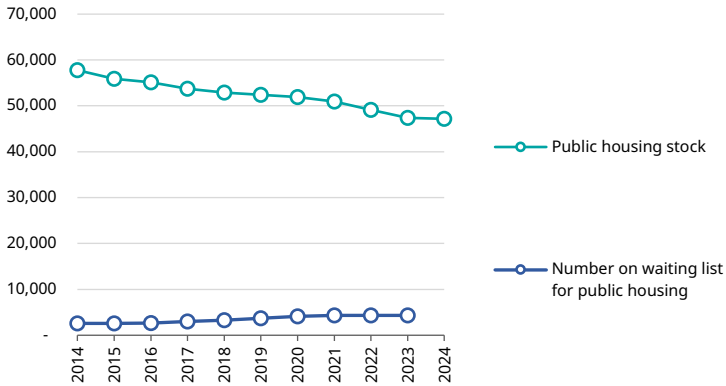


Source: John Gal, Shavit Ben-Porat, and Yael Ovadia, Taub Center | Data: Ministry of Finance

The low level of expenditure on public housing corresponds to the steady decline in public housing stock (Figure 24). Between 2014 and 2024, the stock fell from about 57,800 units to about 47,100 units — a decrease of roughly 18% over the decade. At the same time, the number of eligible households waiting for public housing has risen continuously, from about 2,600 in 2014 to about 4,300 in 2023 (excluding applicants handled by the Ministry of Aliyah and Integration) — an increase of about 67%. The decline in the housing stock and the rise in the number of eligible applicants are also reflected in the budgetary shift in housing assistance policy from assistance with housing toward rent subsidies, shown in Figure 23.

These trends, which reflect the widening gap between demand for public housing and the available supply, are also evident in the substantial increase in waiting times for an apartment — from two years and one month in 2016 to roughly two years and eleven months in 2023 — meaning that during this period the waiting time lengthened by nearly a year (State Comptroller, 2024).

**Figure 24. Public housing stock and the number of eligible applicants on the waiting list**

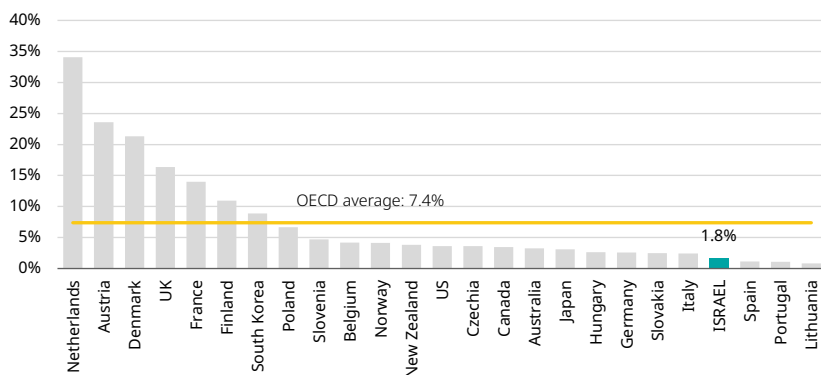


Notes: The number of eligible applicants on the waiting list is based solely on the eligibility criteria of the Ministry of Construction and Housing. It does not include the waiting list of the Ministry of Aliyah and Integration. The figure for 2015 is based on an estimate. The most recent data for those waiting for public housing are from 2023.

Source: John Gal, Shavit Ben-Porat, and Yael Ovadia, Taub Center | Data: Ministry of Construction and Housing; State Comptroller, 2020, 2024

In international comparison, the scale of social housing in Israel is particularly small (Figure 25). The share of rental units provided through social housing out of all housing units in the country stands at only about 1.8%, compared with an average of about 7.4% in the OECD countries examined. According to data from the Ministry of Construction and Housing (2018), this share stood at 23% in Israel in the 1970s — a figure that underscores the ongoing erosion of the country's public housing system.

**Figure 25. Share of social rental housing stock out of all housing units, 2022 or the nearest available year**



Notes: The average refers to countries for which data were available from 2018 onward. Social housing in Israel includes public housing units, housing units in senior housing facilities operated by the Ministry of Construction and Housing, and units managed by the Ministry of Aliyah and Integration. In other countries, it includes rental units provided through various models in which rents are regulated and set below market rates.

Source: John Gal, Shavit Ben-Porat, and Yael Ovdia, Taub Center | Data: OECD Affordable Housing Database

## Summary

The prolonged war in Gaza has had far-reaching consequences for the welfare and social security systems in Israel over the past two years. To address the needs of those affected, spending increased substantially. At the same time, growth in other welfare and social security expenditures was halted. For many years, Israel has struggled to contend with a wide range of social hardships that undermine residents' quality of life and contribute to poverty and inequality, and now it must address the consequences of the war as well. Alongside a discussion of these broader trends that characterized the welfare state in 2024 and 2025, in this chapter we also focused on systems and populations that typically receive little attention in public debate: children at risk and the anticipated changes to the treatment planning and assessment committees, as well as the substantial long-term decline in public housing expenditure. In the coming years, the welfare system will need to confront new challenges created by the war, including the mental health needs of individuals and families and the rehabilitation of affected communities. At the same time, it will need to grapple with all those social problems whose visibility in the public arena diminished when attention shifted to the war, but which remain as acute as they were before October 7, 2023 — and perhaps even more so. Given all this, and in view of the risk that cuts to civilian public expenditure will continue while resources are directed toward fulfilling coalition agreements, it is clear that the welfare system will face increasingly complex challenges in the years ahead.

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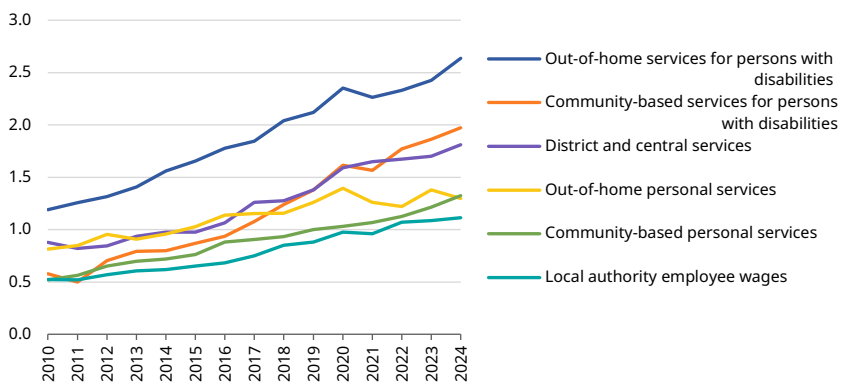
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## Appendix

**Appendix Figure 1. Growth in expenditure on central components of the Ministry of Welfare and Social Affairs' budget over time**  
NIS billion, 2024 prices



Source: John Gal, Shavit Ben-Porat, and Yael Ovadia, Taub Center | Data: Ministry of Finance