
Quality of employment - Israel



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Introduction

The current report is a continuation of the previous report on "Quality of Employment" in Israel that was presented at the last meeting on Quality of Employment framework in 2009.

This report presents economic aspects of the quality of employment. The report relates only to the list of available indicators, which has been developed according to the UNECE Quality of Employment Framework, as well as to the trends over the time.

The report analyzes the period 2001-2010. Some of the data relate to the period 2003-2009. The main issue of this report is analyzing quality of employment indicators by population group, district of residence, industry and occupation.

Main Findings

Almost for all Quality of Employment indicators differences between population groups (Jews and Arabs), districts of residence, industries and occupations were found. For example, noticeable differences in the labour force participation patterns between Jewish and Arab population were revealed. In most cases the source of these differences lies in the cultural and traditional dissimilarities between these two groups of the population.

This report provides a descriptive statistics on Quality of Employment characteristics of Israel labour market by different subgroups. Understanding of factors that caused this variations requires additional research.

Dimension 1. Safety and ethics of employment:
a) Employment safety

Indicator 1: Fatal occupational injury rate

Table 1: Fatal occupational injury rate (Workplace fatalities per 100,000 employees), by industry, 2001-2010

Industry	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Agriculture	4.5	6.5	11.0	6.1	9.3	8.1	7.6	7.3	7.4	5.7
Manufacturing and Electricity and water supply	3.0	5.4	1.8	4.3	3.3	5.0	3.1	4.1	2.8	3.9
Building and engineering building	26.7	25.6	32.0	16.4	23.8	26.1	22.6	19.2	15.0	17.4
Transport	3.9	2.4	1.6	2.3	1.4	0.0	0.0	0.6	0.6	0.0
Services and trade and other	0.7	0.3	0.6	0.7	0.3	0.4	0.4	0.5	0.4	0.5
Total	3.0	3.0	2.9	2.4	2.3	2.6	2.2	2.2	1.6	2.0

Note: Employees include workers from abroad

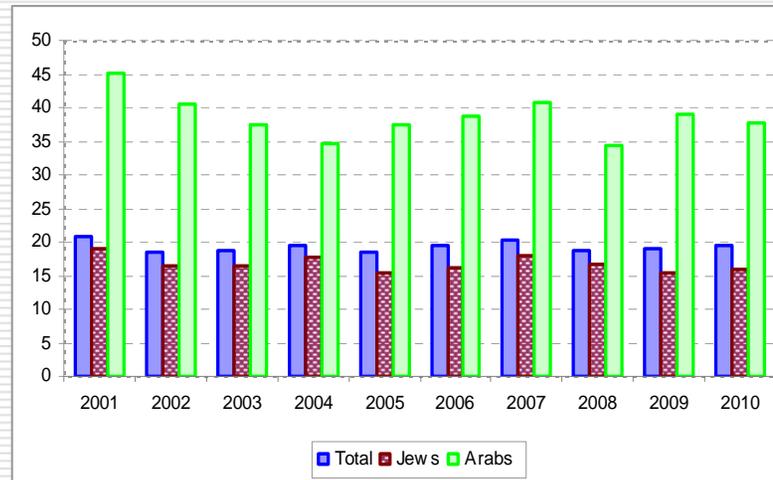
Source: Ministry of Industry, Trade and Labor and Labour Force Survey

The rate of fatal injuries declined steadily from 3.0 in 2001 to 2.0 in 2010, which makes a total decline of 33.8%. Especially notable is the decrease in the "Building and engineering building" industries from 26.7 in 2001 to 17.4 in 2010.

b) Child labour and forced labour

Indicator 7: Children working: average weekly hours, by age and sex

Figure 1: Average weekly work hours per young employed persons aged 15-17, by population group, 2001-2010

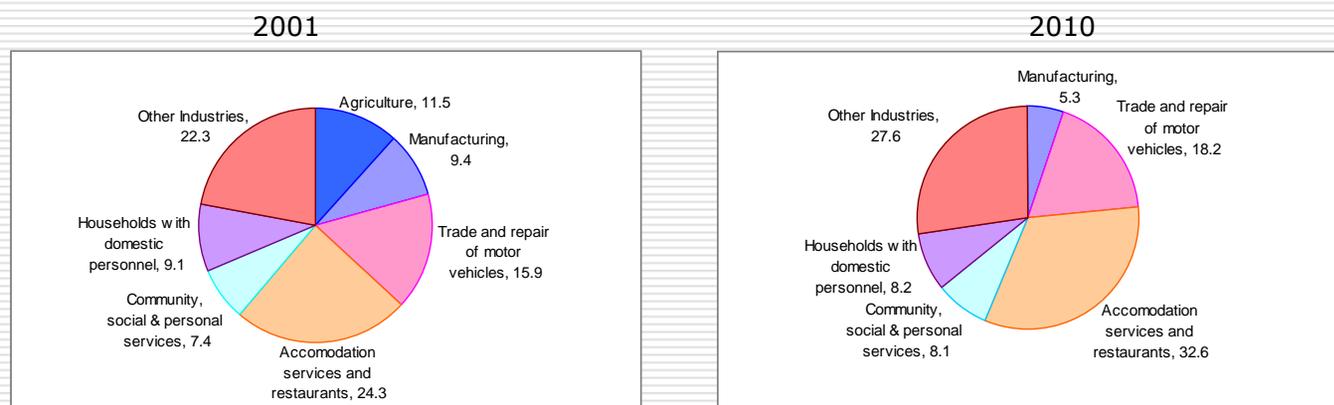


Source: Labour Force Survey

Arab youth work more than Jewish youth (with over 35 hours a week versus 16 hours a week). In 2001-2004 there was a decline in average number of work hours among the Arab youth from 45.2 to 34.7 a week, while from 2004 this number started to increase and reached 40.8 hours in 2007.

Indicator 7: Children working: average weekly hours, by age and sex (cont.)

Figure 2: Employed young people aged 15-17, by industry, 2001- 2010



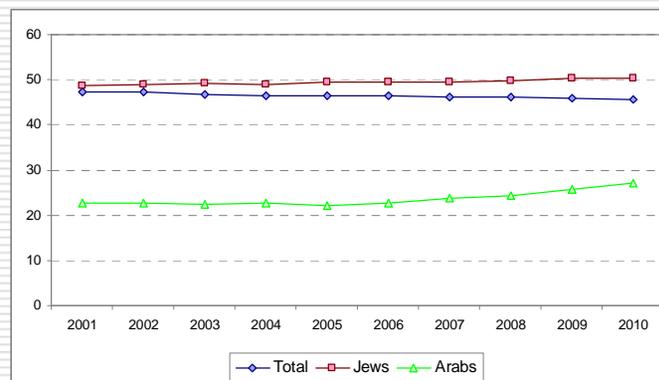
Note: Excl. persons living outside localities (Bedouins in the South and others) and in institutions (permanent samples)

Source: Labour Force Survey

Young people tend to work mostly in the industries of “Accommodation services and restaurants”. The percentage of youth who worked in those industries increased from 24.3% in 2001 to 32.6% in 2010. The share of youth employed in “Agriculture” declined from 11.5% in 2001 to almost 0% in 2010 (this trend corresponds with the overall decline in number of agricultural workers in the economy).

Indicator 9: Employed women as a share of total employment

Figure 3: Employed women as a share of total employment, by population group, 2001-2010

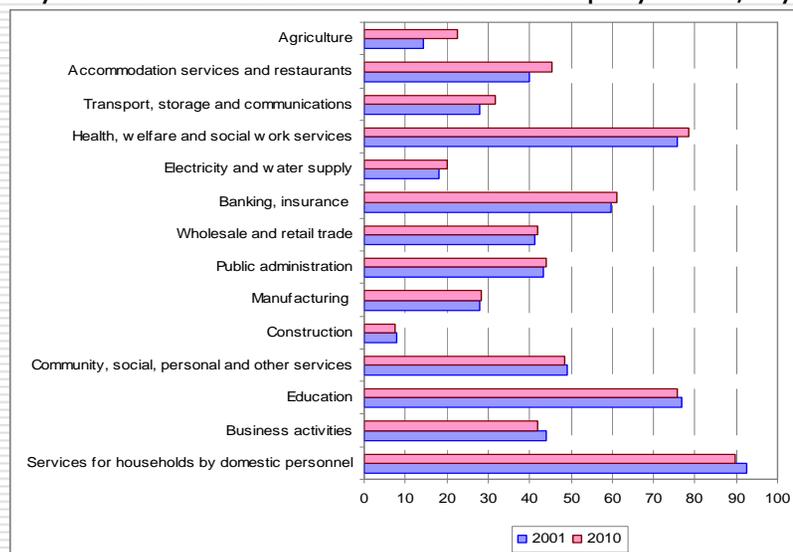


Source: Labour Force Survey

The share of women in total employment slightly decreased from 47.3% in 2001 to 45.7% in 2010. Figure 3 shows that the percentage of women among Arab employees is considerably lower compared to Jewish group, throughout the whole period (in 2010 it was 27.2% vs. 50.2%). This fact can be explained by traditional Arab socio-cultural norms. Notably, the overall upward trend in this indicator resulted from a significant growth of the share of women among working Arab population.

Indicator 9: Employed women as a share of total employment (cont.)

Figure 4: Employed women as a share of total employment, by industry, 2001-2010

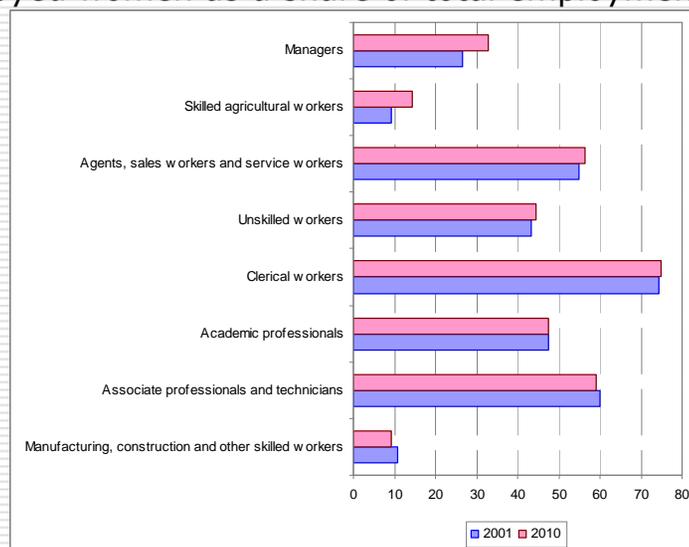


Source: Labour Force Survey

Throughout 2001-2010 different industries and occupations experienced not the same dynamics. Women presence noticeably increased in "Accommodation services and restaurants" industry and Agriculture, and also slightly grew in few other industries.

Indicator 9: Employed women as a share of total employment (cont.)

Figure 5: Employed women as a share of total employment, by occupation, 2001-2010

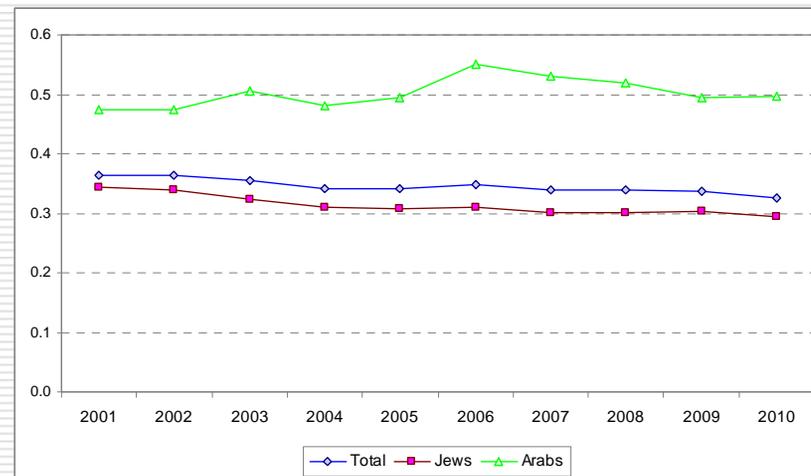


Source: Labour Force Survey

As to occupations, there is the highest rise in share of women working as managers; percentage of women among agents, sales workers and service workers also grew. Among skilled agricultural workers the share of women also increased, while among manufacturing, construction and other skilled workers there was a considerable decline in the share of women.

Indicator 10: Occupational segregation by sex

Figure 6: Occupational segregation by sex, by population group (ISCO classification 1-9), 2001-2010

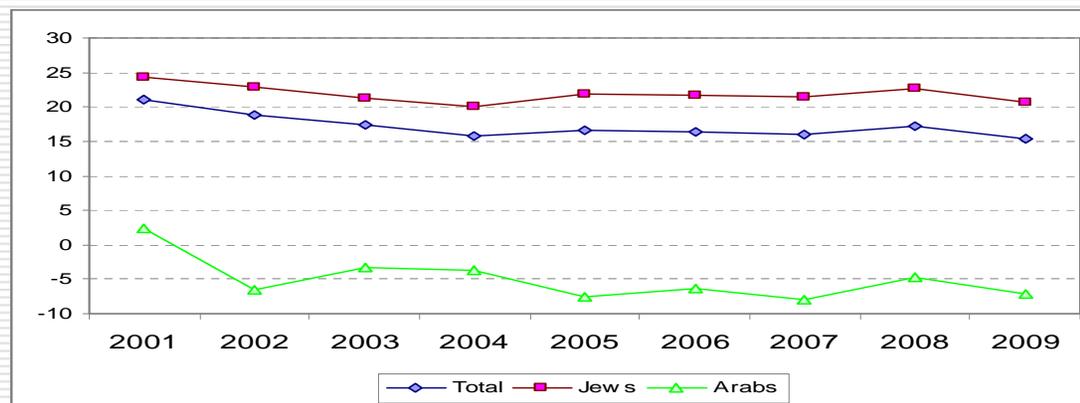


Source: Labour Force Survey

Occupational segregation is much more pronounced when measured in more detailed classification (3-digit). Using one digit occupational classification, the segregation level was approximately 0.35 and noticeably declined during the years (from 0.37 in 2001 to 0.33 in 2010). Using 3 digits occupational classification, the segregation level was approximately 0.54 and slightly declined in 2010, but still remained at a considerable level of 0.53.

Indicator 12: Gender pay gap

Figure 7: Gender pay gap, by population group 2001-2009



Source: Income Survey

The results indicate a significant gender wage gap in Israel; however, this gap has decreased over the years. Thus, in 2001, women were earning approximately 79% of men's hourly earnings, while in 2009 this figure came to about 85%.

One of the possible explanations of gender wage gap is occupational segregation: women are crowding into certain occupations, which drives down their competitive wage. The downward trend in wage gap over the period under our consideration is associated with an increase in educational level of women. Notably, the wage gap among Arab population is negative, which can be explained by a higher level of education among Arab women compared to Arab men.

Indicator 12: Gender pay gap (cont.)

Table 2: Gender pay gap, by district, 2001-2009

District	2001	2002	2003	2004	2005	2006	2007	2008	2009
Jerusalem	23.1	9.7	10.1	10.1	6.3	7.8	4.6	10.1	-2.1
Northern	13.2	5.2	7.5	11.4	7.6	6.4	1.5	8.3	7.4
Haifa	25.3	14.8	23.2	14.5	15.6	16.5	14.4	15.5	18.1
Central	22.7	25.2	21.5	18.6	22.5	17.8	24.5	22.1	19.2
Tel Aviv	24.4	26.8	20.2	19.4	22.2	23.1	20.4	22.1	20.6
Southern	21.6	15.6	15.7	18.7	17.7	22.6	18.9	18.4	20.1

Source: Income Survey

Breakdown by district indicates that the wage gap between men and women has reduced to some extent in all districts. The gap is the lowest in the Jerusalem and Northern districts. Moreover, in 2009, in the Jerusalem district the gap was the lowest and had an opposite tendency: men's hourly earnings comprised 97.9% of women's. Notably, the same year, hourly earnings of Arab men living in the Jerusalem district made 73.1% of those of Arab women.

Indicator 12: Gender pay gap (cont.)

Table 3: Gender pay gap, by occupation, 2001-2009

Occupation	2001	2002	2003	2004	2005	2006	2007	2008	2009
Academic professionals	20.2	16.8	17.8	21.5	22.7	24.5	21.5	24.7	20
Associate professionals and technicians	18.2	15.3	16.6	12.5	16	15.3	16.8	10.6	13.8
Managers	22.5	22.9	25.6	11	15.7	18.5	12.5	22.5	15.6
Clerical workers	25.1	27.9	18.2	19.2	19.6	18.3	14.4	15.7	16.8
Agents, sales workers and service workers	30.7	28.8	26	27.6	28.9	25.8	24.6	25.7	25.4
Skilled agriculture, manufacturing, construction and other skilled workers	28.9	31.4	28.7	23.1	24.6	23.6	22.2	17.6	21.9
Unskilled workers	16.8	16.8	11.6	10.6	14.8	14.5	10.8	14.2	10

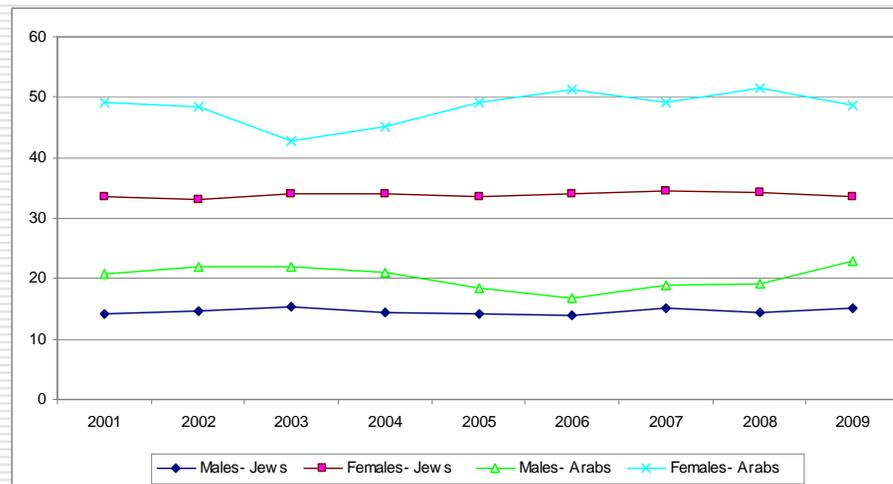
Source: Income Survey

The gender wage gap is the highest among "Agents, sales workers and service workers"; and during 2001-2009 there was a decrease in this gap among all occupations.

Dimension 2. Income and benefits from employment: a) Income from employment

Indicator 15: Share of employees paid below minimum wage

Figure 8: Share of employees paid at below minimum wage, by sex and population group, 2001-2009



Source: Income Survey

Throughout the entire period, the share of employees paid at below minimum wage was the highest among Arab women - approximately 50%, which is considerably higher compared to all other groups of population.

Indicator 15: Share of employees paid below minimum wage (cont.)

Table 4: Share of employees paid at below minimum wage, by district, 2001-2009

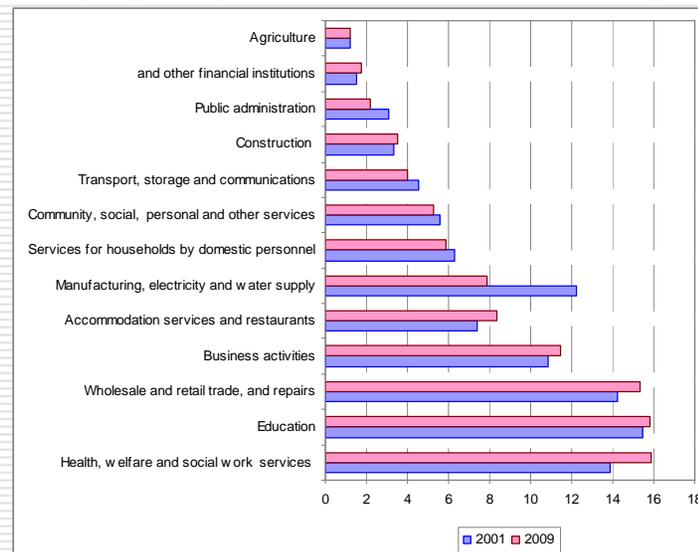
District	2001	2002	2003	2004	2005	2006	2007	2008	2009
Jerusalem	7.8	8.8	9.6	8.3	9.4	10.7	10.1	9.4	10
Northern	15.5	14.2	14.2	14.1	13.5	13.5	13.8	16.8	15.4
Haifa	14.5	15.2	12.8	15.1	13.6	14.3	13.3	12.6	13.1
Central	22.9	23.9	25	25.7	24	23.7	25.3	23.4	23.4
Tel Aviv	22.2	19.5	21.3	19.8	21.9	20.8	18.6	18.7	19.5
Southern	14.6	15	14.2	14.2	14.4	13.2	15.4	15.1	15

Source: Income Survey

The highest share of employees paid at below minimum wage during the entire period was identified in the Central and Tel Aviv districts.

Indicator 15: Share of employees paid below minimum wage (cont.)

Figure 9: Share of employees paid at below minimum wage, by industry, 2001-2009

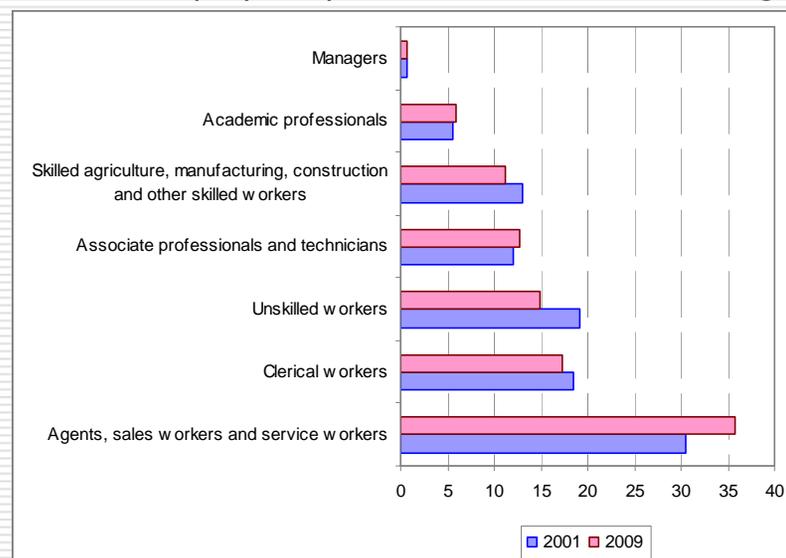


Source: Income Survey

The data indicates that, throughout the entire period, there was the highest share of employees paid at below minimum wage in the "Health, welfare and social work services" and "Education" industries.

Indicator 15: Share of employees paid below minimum wage (cont.)

Figure 10: Share of employees paid at below minimum wage, by industry, 2001-2009



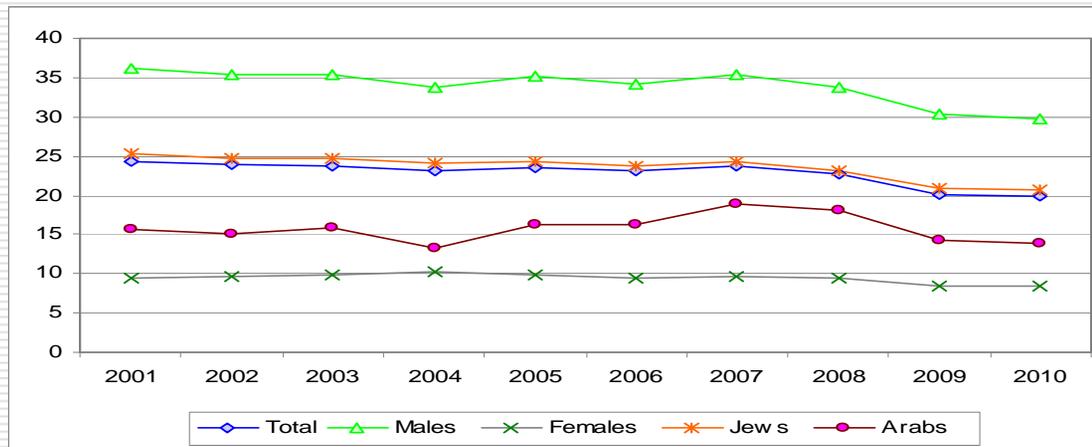
Source: Income Survey

Among occupations the "Agents, sales workers and service workers" professions are notable with the highest share of employees paid at below minimum wage – more than 35%.

Dimension 3. Work hours and balancing work and non-working life: a) Work hours

18: Share of employed persons working 49 hours and more per week

Figure 11: Share of employed persons working 49 hours and more per week, by sex and population group, 2001-2010



Note: Not including those temporarily absent from work during the determinant week
Source: Labour Force Survey

The share of employed persons working 49 hours and more per week declined from 24.3% in 2001 to 19.8% in 2010. Men are much more likely to work 49 hours or more, approximately 34% of them do so, whereas only approximately 9% of all women work 49 hours or more per week. Among the Arab population, only about 15% work 49 hours or more per week.

18: Share of employed persons working 49 hours and more per week (cont.)

Table 6: Share of employed persons working 49 hours and more per week, by sex and population group, 2001-2010

District	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Jerusalem	6.8	6.8	6.6	6.4	6.9	6.6	6.7	6.6	8.3	8.3
Northern	13.7	13	14.4	13.8	14	13.6	14.4	14	13.1	12.7
Haifa	12.8	13.1	12.4	12.6	12.3	12.3	13.4	13.1	11.9	11.7
Central	27	28.2	29.1	28.9	28.6	29.8	29.4	29.6	28.9	28.6
Tel Aviv	23.3	22.2	21.5	21.3	21.2	20.7	20.1	20.1	21.2	21.4
Southern	13.6	13.9	13.4	14.3	14.1	14.1	13	13.4	13.1	13.9

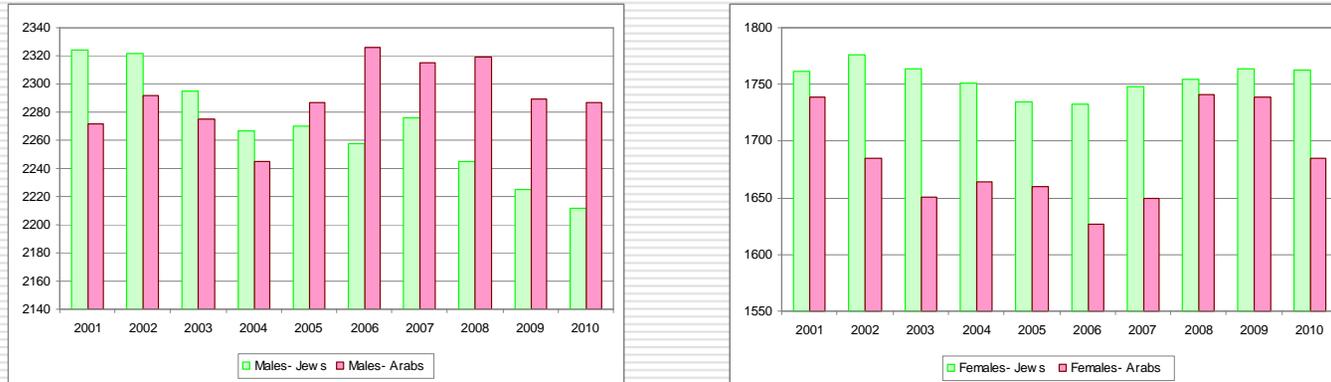
Note: Not including those temporarily absent from work during the determinant week

Source: Labour Force Survey

Throughout the whole period under review the Central district can be distinguished among all the districts as an area with the highest percentage of those who work more than 49 hours a week (in 2010 it made more than 28% of the district's residents). Throughout the entire period the share of those who work 49 hours a week and more was the highest in Manufacturing industry (about 20%) and among manufacturing, construction and other skilled workers (about 24% in 2010). This indicator is also high among agents, sales workers and service workers (more than 18% in 2010).

Indicator 19: Average annual (actual) hours worked per person

Figure 12: Average annual (actual) hours worked per person, by sex and population group, 2001-2010



Source: Labour Force Survey

Over the period from 2001 to 2010 the amount of total annual hours worked declined by about 56 hours for total working population. This resulted almost merely from the fall in hours worked by men (90 hours less in 2010 compared to 2001), while among women total hours worked has almost not changed during this period. Males work more hours than females with average difference about 520 hours a year. Figure 12 shows that amount of average annual hours worked per person in 2001-2004 was higher among Jew males compared to Arab males. On the contrary, in 2005-2010, this figure was higher among Arab males.

Indicator 20: Time-related underemployment rate **Indicator 21: Share of employed persons working less than 35 hours per week involuntarily**

Figure 13: Time-related underemployment rate, by sex and population group, 2001-2010

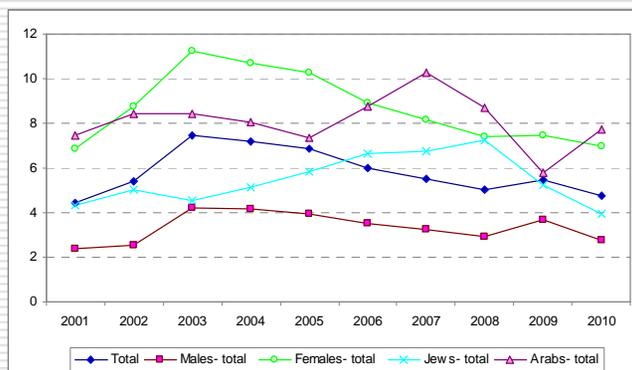


Figure 14: Share of employed persons working less than 35 hours per week involuntarily, by sex and population group, 2001-2010

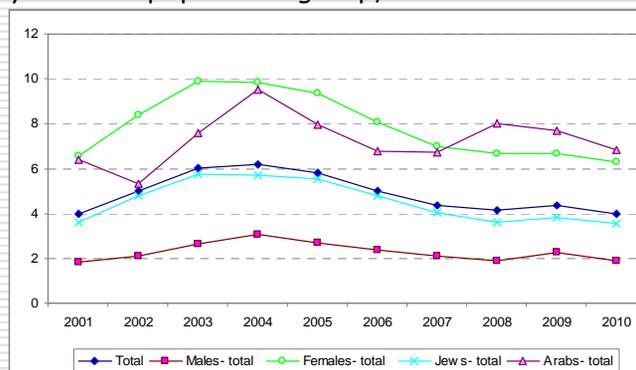


Table 7: Unemployment rate, 2001-2010

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Total	9.4	10.4	10.8	10.4	9	8.4	7.3	6.1	7.6	6.7
Males	9	10.1	10.3	9.6	8.6	8	6.8	5.8	7.6	6.8
Females	9.9	10.6	11.3	11.3	9.5	9	7.9	6.5	7.5	6.5
Jews	9.2	9.9	10.7	10.4	8.8	8	6.8	5.8	7.4	6.5
Arabs	10.6	13.4	11.5	10.8	11.4	11.6	11	8.5	8.4	8

Source: Labour Force Survey

Indicator 20: Time-related underemployment rate
Indicator 21: Share of employed persons working less than 35 hours per week involuntarily (cont.)

Most of the time-related-underemployed population is persons who are working less than 35 hours per week involuntarily. The time-related underemployment rate increased from 4.4% in 2001 to 7.5% in 2003 and thereafter started to decline and reached 4.8% in 2010. The same trend is observed for the share of employed persons working less than 35 hours per week involuntarily: it increased from 4.0% in 2001 to 6.2 % in 2004, and after that slowly declined again to 4.0% in 2010.

During 2001-2010, a fall in the percentage of unemployed was recorded, from 9.4% in 2001 to 6.7% in 2010. Nevertheless, there was no continual tendency in dynamics of this indicator. Between years 2001 and 2003 there was an increase, partly associated with the crisis in the high-tech sector. In the period 2001-2007 the share of unemployed women increased this share among men. It's important to mention that during 2009-2010 the gap in unemployment rate between men and women reduced. In this period the percentage of unemployed males exceeded this percentage among females.

Indicator 33: Share of economically active population contributing to a pension fund

Table 8: Share of economically active population contributing to a pension fund, 2004-2009

			2004	2005	2006	2007	2008	2009
Total	working	total working	44.9	46.1	47.4	46.9	52.4	57.3
		employees	49.3	50.2	49.5	50	55.3	61.4
		employers and own account workers	19.6	20.7	31	24.6	27.8	26.2
	not working		2.4	2.8	2.4	1.9	2.2	1.7
Males	working	total working	43.8	45.1	46.1	45.9	50.3	54.8
		employees	48.5	49.2	48.8	49.6	53.7	59.6
		employers and own account workers	22.3	25.3	30.9	25.6	29.2	27.5
	not working		2.8	2.9	2.9	2	2.5	1.8
Females	working	total working	46.3	47.2	49	48	54.8	60.2
		employees	50.1	51.1	50.4	50.4	57	63.4
		employers and own account workers	14.1	11.1	31.3	22.4	24.3	23.5
	not working		2.1	2.6	2	1.9	2	1.6
Jews	working	total working	47.7	49.6	50.4	50.9	56.2	60.6
		employees	52.5	53.9	52.5	54.3	59.4	64.8
		employers and own account workers	20.2	22.7	34.4	27.1	30.2	29.3
	not working		2.9	3.5	3.1	2.5	2.8	2.2
Arabs	working	total working	21.6	20.4	25.1	18.8	21.5	28.9
		employees	23.3	22.7	27.4	21	22.7	32.2
		employers and own account workers	12.7	8.1	11.1	3.6	11.5	5.9
	not working		0.9	0.3	0.2	0.2	0.1	0.2

Source: Labour Force Survey

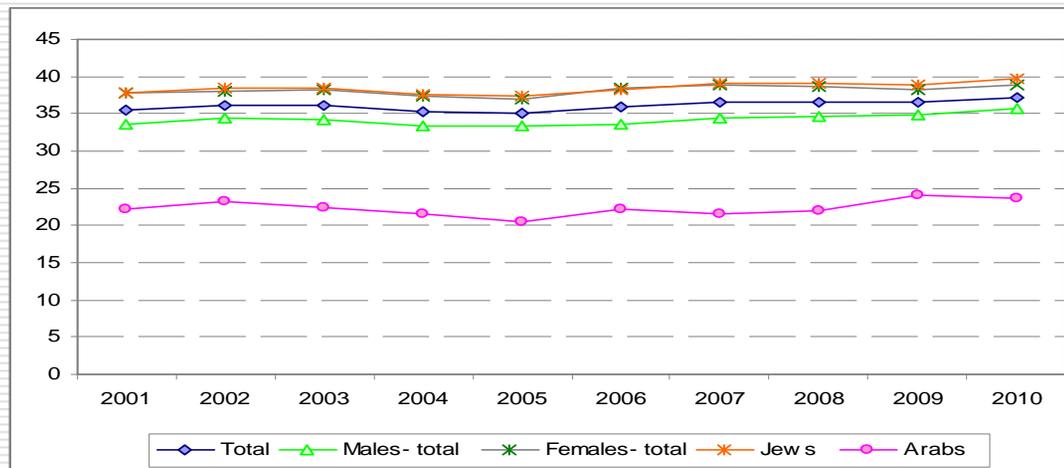
Indicator 33: Share of economically active population contributing to a pension fund

The share of employees who contribute to a pension fund, out of all employees, ranges from 49.3% to 61.4%. The share of employers and own account workers who contribute to a pension fund, out of all employers and own account workers, ranges from 19.6% to 26.2%. In the years 2008 and 2009, a sharp rise in the share of economically active population contributing to a pension fund was recorded, as the result of the mandatory pension law, that had been implemented in the beginning of 2008, and was aimed to provide each employee of the State of Israel, at any place of work, with opportunity to accumulate retirement savings. This mandatory pension law obliges an employer to assign a certain amount for retirement or compensation payments for the sake of each employee, few months after the latter starts to work. One can see that this increase was more moderate among Arab population compared to the Jewish one.

Dimension 6. Skills development and life-long learning

Indicator 38: Share of employed persons in high skilled occupations

Figure 15: Share of employed persons in highly skilled occupations, 2001-2010



Source: Labour Force Survey

The share of representatives of high skilled occupations slowly increased from 35.5% in 2001 up to 37.1% in 2010. The share of women representing those occupations stayed higher than the share of men throughout the years. In figure 22 one can see that the share of employed persons in high skilled occupations among women was similar to this share among Jews, while the percentage of Arabs employed in high skilled jobs stayed on a lower level.

Thank you for your attention!

