Foreword

Israel has experienced strong economic growth over the last decade, and unemployment is now below 5%. Skills shortages are emerging in several technical areas. If Israel is to meet the demand for skills and to support its economic growth it can either increase external migration or/and use its education and training system more effectively. At the same time, inequity and disadvantage in some population groups are raising the profile of other demands for vocational training as a vehicle for social inclusion. Collectively, these factors are driving policy interest in developing a vocational education and training (VET) system which is currently both fragmented and of modest scale when compared with the VET systems of other OECD countries.

This OECD report *Apprenticeship and Vocational Education and Training in Israel* compares the VET policy in Israeli with practice in other countries, and on this basis draws policy conclusions. Among others, the report argues for the expansion and integration of apprenticeship programmes into the mainstream upper-secondary system; development of systematic work-based learning in selected school-based VET programmes; support of employers with provision of high-quality work-based learning; setting up a national strategic body to plan and guide policy development in VET; and, focus on literacy and numeracy in VET programmes for young people and for adults.

This report was drafted by Małgorzata Kuczera, Tanja Bastianić and Simon Field. Elisa Larrakoetxea and Jennifer Cannon provided valuable administrative support. The OECD is very grateful to colleagues in Israel, in the Ministry of Labour and Social Affairs and many other people we met during our visits for their many very constructive contributions to the review. In particular we are grateful to Shmuel Pur and Lior Zysev-Yogev from the Ministry of Labour and Social Affairs; Yaakov Sheinbaum from the Ministry of Education; Sophie Artsiev and Haim Portnoy from the Central Bureau of Statistics; Judith King, Nir Levy and Tirza Willner from Myers-JDC-Brookdale. Within the OECD the report benefited from many helpful comments and advice from Francois Keslair, Anthony Mann, Marco Paccagnella and William Thorn in the Directorate for Education and Skills and Claude Giorno and Gabriel Machlica from the Economics Department.

A corrigendum has been issued for this page. See [http://www.oecd.org/about/publishing/Corrigendum_Apprenticeship_and_Vocational_Education_and_Training_in_Israel.pdf](http://www.oecd.org/about/publishing/Corrigendum_Apprenticeship_and_Vocational_Education_and_Training_in_Israel.pdf)
# Table of contents

Executive summary ................................................................................................................................. 9

1. Assessment and recommendations ........................................................................................................ 11
   Introduction ............................................................................................................................................ 12
   The education system of Israel .............................................................................................................. 14
   Israel’s vocational education and training system ..................................................................................... 16
   Policy development ............................................................................................................................... 19
   Assessment: Strengths and challenges ..................................................................................................... 20
   Policy options ......................................................................................................................................... 22
   References .............................................................................................................................................. 26

2. Developing work-based learning in Israel ............................................................................................... 29
   Introduction: Building work-based learning in different contexts ............................................................... 30
   Policy options: Developing work-based learning for young people and adults ........................................ 34
   Policy arguments: The rationale for reform ............................................................................................. 34
   References .............................................................................................................................................. 45

3. A closer look at the economics of training in Israel: Involving employers through youth apprenticeship and sectoral training levies ................................................................................. 47
   Introduction: How to engage employers? ................................................................................................. 48
   Policy option 3.1: Making apprenticeships attractive to employers ............................................................ 50
   Policy arguments: The rationale for reform ............................................................................................. 51
   Policy option 3.2: Sharing cost of training among employers .................................................................... 56
   Policy arguments: The rationale for reform ............................................................................................. 56
   References .............................................................................................................................................. 61

4. Creating a coherent and transparent vocational education and training system in Israel ....................... 63
   Introduction: Why coherence and transparency matter ............................................................................. 64
   Policy option 4.1: Realising coherence in governance ................................................................................. 64
   Policy arguments: The rationale for reform ............................................................................................. 65
   Policy option 4.2: Developing post-secondary options ............................................................................ 69
   Policy arguments: The rationale for reform ............................................................................................. 70
   References .............................................................................................................................................. 75

5. Improving literacy and numeracy in vocational education and training (VET) programmes in Israel ................................................................................................................................. 77
   Introduction: Comparing basic skills in Israel with other countries ......................................................... 78
   Policy options: Addressing basic skills challenge in VET and apprenticeship programmes ..................... 80
   Policy arguments: The rationale for reform ............................................................................................. 80
   References .............................................................................................................................................. 89
Tables

Table 1.1. Participation of different ministries in training ................................................................. 18
Table 2.1. The duration of apprenticeship programmes and how apprentices spend their time .......... 31
Table 2.2. Vocational programmes for adults involving work-based learning .................................. 33
Table 3.1. Costs and benefits associate with skilled and unskilled work of apprentices .................. 49
Table 3.2. Minimum apprentice wages in youth apprenticeships ...................................................... 52
Table 3.3. How the minimum apprentice wage is determined ......................................................... 53
Table 3.4. Financial incentives to companies providing apprenticeships ....................................... 57
Table 4.1. Funding of practical engineering and technician programmes and ‘academic’ engineers ... 73

Figures

Figure 1.1. Use of computers by blue-collar workers ........................................................................ 22
Figure 2.1. In Israel, more young people aspire to skilled jobs than in most other countries ............ 37
Figure 2.2. Share of upper-secondary VET graduates enrolled in education .................................... 38
Figure 2.3. In Israel, there is limited evidence for a wage premium from technological education .... 39
Figure 2.4. More than half of Israel’s upper-secondary VET graduates see their job as unqualified .. 40
Figure 3.1. Allocation of apprentices to skilled and unskilled work in Switzerland and Austria ...... 50
Figure 3.2. On-the-job training ......................................................................................................... 59
Figure 3.3. Provision of training in Israel, by company size ............................................................. 60
Figure 5.1. Israel has a higher proportion of low-skilled adults than most countries .................... 79
Figure 5.2. Share of low-skilled and absolute numbers in different population groups ................ 79
Figure 5.3. The Israeli workforce includes a large share of low-skilled ........................................... 81
Figure 5.4. In Israel, VET upper-secondary graduates have a low average and a wide spread of numeracy performance .................................................. 83
Figure 5.5. Share of employed by skills and population group ....................................................... 85

Boxes

Box 1.1. The main conclusions from Skills beyond School, the OECD’s review of post-secondary vocational education and training in Israel, published 2014 ................................................... 13
Box 1.2. The school networks in Israel ............................................................................................ 17
Box 2.1. Analysis of outcomes from upper-secondary VET in Israel, with the Survey of Adult Skills ........................................................................................................... 37
Box 2.2. Incentive measures for adult apprentices .......................................................................... 44
Box 3.1. Country examples of training for apprentice supervisors in the workplace ....................... 54
Box 3.2. Sectoral training levies in Switzerland .............................................................................. 58
Box 4.1. Community colleges in the United States ........................................................................... 71
Box 5.1. Innovative initiatives addressing poor basic skills in US colleges .................................... 87