

EU-ISRAEL TWINNING PROJECT

Activity A.10 - Debriefing

Compiling welfare accounts

Jerusalem, 24-26 November 2014





Mandatory results

Mandatory result MR5: Definition of indicators on the provision of welfare services

Benchmarking of MR5 : Indicators on provision of welfare services prepared by 6th project quarter

Mandatory result MR6: Definition of the structure of a satellite account on welfare, presenting expenditure and financing of welfare by sector

Benchmarking of MR6: Structure of satellite accounts on welfare (ESSPROS) defined by 6th project quarter



Expected output of A.10

- Further work to utilize administrative sources
- How to adapt to international standards
- Definitions of concepts in welfare satellite accounts
- A list of possible indicators to choose between for publishing the results
- Documentation needs



Assessment of the current situation (from A.9)

- The share of the welfare services provided and financed by the private sector is big and increasing in Israel
- The Government part of the existing statistics is well-covered
- The fundamental principles of the statistical manuals are very well understood
- The current statistical treatment of the basic material (COFOG coding etc.) done in the ICBS is well-organized
- The reporting to OECD (the SOCX reporting) by Israel is adequate
- Many interested parties/partners and potential data sources concerning further development of the system
- Steering Committee is heavily involved in the design of the Welfare Accounts



Data sources - existing or potential (from A.9 – but to be updated!)

DIMENSION	Expenditure	Income (financing)	Type of employees	Type of beneficiaries
SECTOR				
Business	Trade & Services survey (CBS)	Trade & Services survey (CBS) SOCX (CBS, MoF)	LFS Business Register	HES (CBS)
Government (Central, Local, Gov. NPIs, NII)	SOCX (CBS, MoF)	SOCX (CBS, MoF)	LFS	HES (CBS)
Private NPIs	NPI survey (CBS)	NPI survey (CBS)	NPI survey (CBS) LFS (CBS) Hebrew University	HES (CBS)
Household	HES (CBS)	HES (CBS)		HES (CBS)



Conclusions from A.10

- The structure of the Welfare Accounts, to be suggested to the Steering Committee, will be based on the SOCX, however:
 - In contrast to SOCX, the Welfare Accounts will also include the financing of the Welfare (per definition total expenditure must equal total financing)
 - The scope of the Welfare Accounts is broader, primarily because of inclusion of the part totally financed by the private sector (social domain in SOCX vs. welfare concept of the the Welfare Accounts)
 - In the longer run, the Welfare Accounts will, besides the financial information to be published in 2015, also include information on personnel (staff) and clients (beneficiaries)
- Two major differences between SOCX and the Welfare Accounts is
 - the Health sector – currently only included in SOCX; and
 - Old Age pensions – currently only included in SOCX
- Minor adjustments between SOCX and Welfare Accounts
 - Administrative costs, negative taxes, 4-6 year olds not in Welfare Accounts
 - Use of sub-categories within the overall structure to highlight specific services in the Israeli welfare system
 - but final decisions will be taken by the Steering Committee



Conclusions from A.10 (cont.)

- The "Other costs" (one of four components of the total expenditure) should be given another name, and, if possible, broken down
- Maybe the Social Survey can, in time, provide valuable information to the Welfare Accounts
- The three/four indicators are good and meaningful – the indicator "households' share of total financing" would be interesting as well



Recommendations

- Use SOCX as the starting point for the Welfare Accounts
- Investigate further the coverage of the SOCX reporting
 - In particular, the private part of SOCX.
- Keep the number of minor differences between SOCX and the Welfare Accounts at a minimum
 - For reasons of international comparability
 - For reasons of documentation ("user-friendliness")
- Combine table 1 and 2 into a new table 3 – i.e., use the sub-categories of types of services in table 2 in combination with the information on the financing sector from table 1
- Develop a thorough documentation
 - Continue the comparative list of COFOG/SOCX/Welfare Accounts regarding the differences between the "classifications"
 - Documentation of the known differences between next year's publishing of the COFOG level 2 data and the Welfare Accounts



Recommendations (cont.)

- Continue co-operation with external partners, in particular the Hebrew University regarding the survey on the non-profit institutions
- The Ben Gurion University's research project on employees in the non-profit sector should be analyzed
- Develop the ICBS questionnaire regarding the business sector, including thorough pre-testing
 - Do some face-to-face interviewing with 3-4 enterprises in order to test the quality and general understanding of the questions
- The information from the LFS and from the Trade in services survey should be analyzed
- The TAX information on employees' salaries combined with information on business could be analyzed to estimate the number of persons (heads) working in the welfare sector
 - Possibly an analysis of the amount and types of welfare services provided by contractors could be conducted



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Thank you!

