

# 1 Employment Shock, Household Burden, and Public Health in 2 Israel during COVID-19 and the Swords of Iron War, 2020–2024: 3 A Secondary Policy Analysis.

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## 4 Structured Abstract

5 **Background:** Israel experienced two successive but analytically distinct labour-market shocks  
6 within a short period: the COVID-19 pandemic and the Swords of Iron War. Each disrupted  
7 employment through different mechanisms and carried different implications for public health.

8 **Methods:** This study uses a secondary policy-analysis design based on public annual indicators  
9 for 2020–2024 from the Bank of Israel and the Central Bureau of Statistics, supplemented by  
10 OECD and Taub Center analyses. It examines unemployment, employment among adults aged  
11 25–64, inflation, and nominal monthly wages, and interprets the results through a social-  
12 determinants-of-health framework.

13 **Results:** Unemployment rose from 4.4% in 2020 to 5.0% in 2021, then declined to 3.8% in 2022,  
14 3.4% in 2023, and 3.0% in 2024. Employment among adults aged 25–64 recovered from 75.7% in  
15 2021 to 78.5% in 2024. Inflation moved from -0.7% in 2020 to 5.3% in 2022 and remained elevated  
16 at 3.2% in 2024, while nominal monthly wages rose from NIS 11,201 to NIS 13,271. The pandemic  
17 initially operated mainly through demand contraction and mobility restrictions, whereas the war  
18 operated mainly through labour-supply constraints, reserve mobilization, evacuation, school  
19 disruption, and a reduction in access to Palestinian and foreign workers.

20 **Conclusion:** Israel's labour market showed macro-level resilience, but that resilience coexisted  
21 with sectoral bottlenecks, unequal household burdens, and health-relevant pressures related to  
22 financial strain, caregiving disruption, occupational overload, and mental stress. A health-oriented  
23 reading therefore yields a more cautious interpretation than unemployment alone suggests.

24 **Keywords:** Israel; labour market; COVID-19; Swords of Iron War; public health; social  
25 determinants of health; economic resilience

26

27 Core annual indicators

Year	Unemployment (%)	Employment 25-64 (%)	Inflation (%)	Nominal monthly wage (NIS)
2020	4.4	76.2	-0.7	11,201
2021	5.0	75.7	2.8	11,445
2022	3.8	78.6	5.3	11,765
2023	3.4	78.9	3.0	12,503
2024	3.0	78.5	3.2	13,271

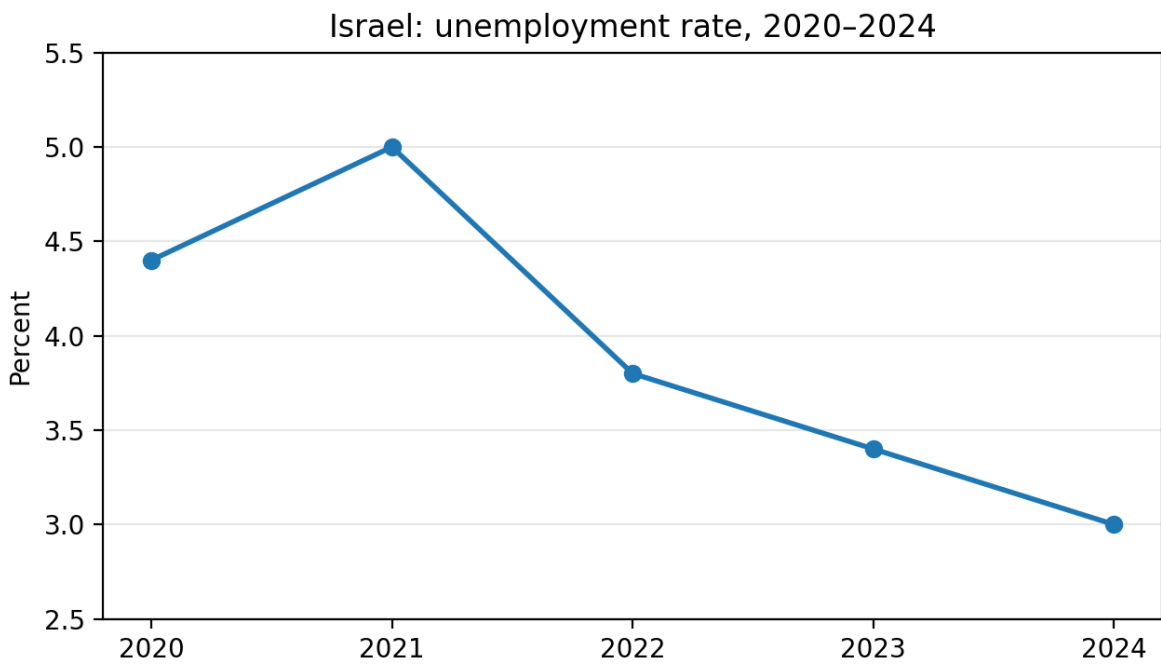
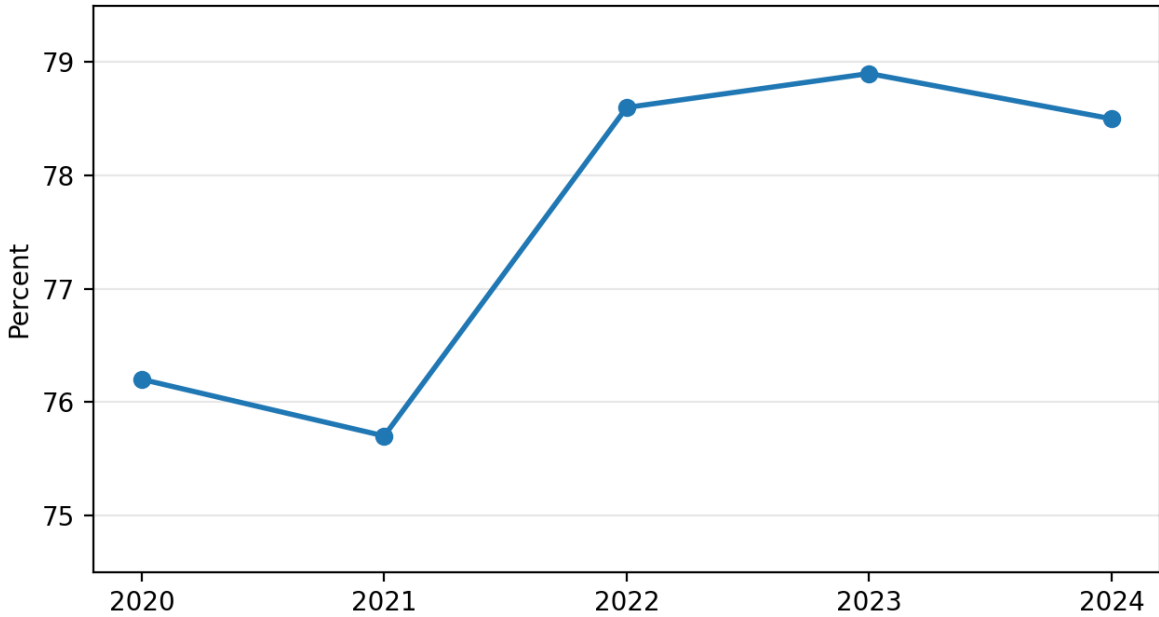


Figure 1. Israel: unemployment rate, 2020-2024.

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Israel: employment rate (ages 25-64), 2020-2024

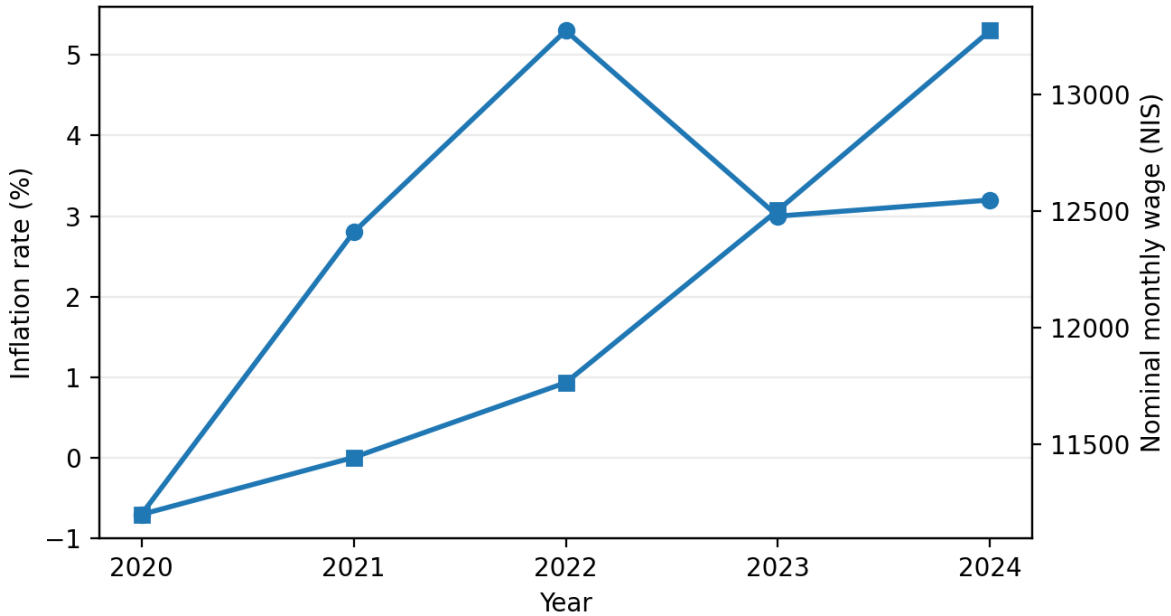


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Figure 2. Israel: employment rate among adults aged 25-64, 2020-2024.

Israel: inflation and nominal wage, 2020-2024



32

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Figure 3. Israel: inflation and nominal monthly wage, 2020-2024.

## 34 1. Introduction

35 Employment conditions affect income security, housing stability, nutrition, access to care, stress  
36 exposure, and the capacity of households to sustain routine life. For that reason, labour-market

37 disruption is also a public-health issue. The Israeli case is especially valuable analytically because  
38 two different crises occurred in rapid succession and affected work through different mechanisms.  
39 COVID-19 primarily disrupted work through demand contraction, mobility restrictions, temporary  
40 closures, and furloughs. By contrast, the Swords of Iron War that began in October 2023  
41 generated a labour-supply shock: reserve mobilization, civilian displacement, school disruption,  
42 security uncertainty, and reduced access to Palestinian and foreign workers in several sectors  
43 limited the effective supply of labour. The fact that these two shocks occurred close together  
44 makes Israel a strong case for examining how similar macro outcomes can mask different social  
45 and health consequences.

46 This article focuses only on Israel and treats the country as a self-contained case study rather than  
47 as part of a broad international comparison. Its central argument is that Israel's labour market  
48 appeared resilient at the macro level by 2024, but that this resilience coexisted with sector-specific  
49 shortages, household strain, inflationary pressure, and unequal exposure across social groups. For  
50 a health and medicine audience, the key implication is that employment resilience should be  
51 interpreted together with care burdens, mental health, material security, and access to stable daily  
52 routines.

## 53 2. Materials and Methods

54 This study is a secondary policy analysis based on aggregated public data and institutional reports.  
55 The quantitative backbone is drawn from annual indicators published by the Bank of Israel and the  
56 Central Bureau of Statistics for 2020–2024. The core indicators are unemployment, employment  
57 among adults aged 25–64, annual inflation, and nominal monthly wage per employee post.

58 These statistical series are interpreted alongside the Bank of Israel Annual Report 2024, the OECD  
59 Economic Survey of Israel 2025, and the Taub Center's 2025 assessment of the labour market in  
60 2024 in the shadow of war. The analysis is narrative rather than econometric. It classifies each  
61 crisis by dominant shock type, traces the mechanism by which it affected work and income,  
62 identifies the sectors and groups most exposed, and then interprets the likely public-health  
63 implications.

64 No individual-level data were used and no human participants were recruited. Ethical approval was  
65 therefore not required. The main limitation is that annual indicators compress sharp within-year  
66 changes. That limitation is partly offset by the use of institutional reports that describe the timing  
67 and mechanisms of the shocks in greater detail.

## 68 3. Results

### 69 3.1. The aggregate trajectory shows recovery, but not a cost-free one

70 The annual data show three broad phases. First, the pandemic period was associated with higher  
71 unemployment, lower employment, and very weak price pressure. Second, the reopening phase  
72 produced rapid labour-market tightening alongside a strong inflationary episode. Third, the wartime  
73 period combined low unemployment with continued labour scarcity, elevated household pressures,  
74 and persistent price pressure.

75 Unemployment increased from 4.4% in 2020 to 5.0% in 2021 and then fell to 3.8% in 2022, 3.4% in  
76 2023, and 3.0% in 2024. Employment among adults aged 25–64 declined from 76.2% in 2020 to  
77 75.7% in 2021 and then recovered to 78.6% in 2022, 78.9% in 2023, and 78.5% in 2024. Inflation  
78 moved from -0.7% in 2020 to 2.8% in 2021 and 5.3% in 2022, before moderating but remaining  
79 above target at 3.0% in 2023 and 3.2% in 2024. Nominal monthly wages rose continuously from  
80 NIS 11,201 in 2020 to NIS 13,271 in 2024.

### 81 3.2. Pandemic shock versus wartime shock

82 The two crises differed sharply in mechanism. During COVID-19, the most affected sectors were  
83 those dependent on face-to-face demand and mobility, especially hospitality, tourism, retail, and  
84 parts of transport. The main policy problem in that phase was how to preserve jobs and incomes  
85 while restrictions remained in force.

86 During the war, the dominant mechanism shifted from demand to labour supply. The Bank of Israel  
87 reported that in 2024 the labour market remained affected by the ongoing consequences of the war  
88 and that the main weakness was concentrated in labour supply. Reduced access to non-Israeli  
89 workers, extensive reserve duty, and disruptions to schools and daily life lowered effective labour  
90 availability even while demand for workers remained relatively high in parts of the economy. As a  
91 result, low unemployment in 2024 did not mean a frictionless labour market; it reflected a tight  
92 market under conditions of constrained labour supply.

### 93 3.3. Sectoral and social differentiation

94 Construction and agriculture were especially exposed because of their reliance on Palestinian and  
95 foreign workers. The Taub Center similarly emphasized that the war interrupted positive  
96 employment trends among under-represented groups and that significant participation gaps  
97 remained, particularly for Haredi and Arab men relative to non-Haredi Jewish men. These gaps  
98 matter because they shape both the country's long-run economic resilience and the distribution of  
99 income, material security, and health opportunity.

100 Women were affected through both labour-market and household channels. Even where formal  
101 employment was maintained, school interruptions, informal caregiving, and the absence of  
102 partners due to reserve service increased work-family conflict and psychological strain. These  
103 pressures are not fully visible in annual unemployment figures, yet they are highly relevant to  
104 mental health, fatigue, burnout, and the ability to maintain stable employment over time.

### 105 3.4. Public-health relevance

106 The public-health meaning of the findings is direct. Income insecurity can worsen food insecurity,  
107 housing stress, debt, and delayed healthcare use. Labour scarcity and excessive workloads can  
108 worsen fatigue, burnout, occupational injury risk, and household stress. In wartime conditions,  
109 these pressures interact with displacement, grief, insecurity, and heightened mental-health need.  
110 For that reason, employment conditions in Israel during 2020–2024 should be understood as part  
111 of the broader health-system environment rather than as a separate economic background issue.

## 112 4. Discussion

113 The analysis supports a clear conclusion: Israel's labour market cannot be judged solely by  
114 unemployment. By 2024, the macro indicators looked strong in narrow terms. Unemployment was

115 low, employment among adults aged 25–64 had recovered, and nominal wages continued to rise.  
116 However, a broader reading shows that these outcomes coexisted with labour scarcity, sectoral  
117 bottlenecks, inflationary pressure, and unequal household burdens.

118 The contrast between the pandemic and the war helps explain why shock-specific policy design  
119 matters. COVID-19 required income replacement, business continuity support, and public-health  
120 restrictions compatible with employment protection. Wartime conditions require a different  
121 package: childcare continuity, support for reserve-service households, rapid replacement of  
122 missing workers where possible, occupational-health protection for overstretched workers, and  
123 mental-health services that recognize prolonged uncertainty and cumulative fatigue.

124 The Israeli case also points to a structural issue that predates both crises. Long-term resilience  
125 depends on reducing barriers to stable employment among under-represented groups and on  
126 improving productivity without deepening insecurity. From a public-health perspective, inclusive  
127 employment is not only a growth strategy; it is also a health-equity strategy because employment  
128 affects income, housing, food security, social participation, and the resources available to  
129 households during crisis.

130 This article does not estimate causal health effects at the individual level, and its annual data  
131 smooth month-to-month volatility. Even so, the policy significance is strong. The evidence  
132 demonstrates that a labour market can appear resilient in aggregate while still transmitting strain  
133 into households, workplaces, and the wider health environment.

## 134 5. Conclusion

135 Between 2020 and 2024, Israel experienced two successive but fundamentally different labour-  
136 market shocks. COVID-19 disrupted work mainly through demand contraction and mobility  
137 restrictions, while the Swords of Iron War disrupted work mainly through labour-supply constraints,  
138 reserve mobilization, displacement, and restricted access to key worker groups.

139 The market showed resilience by 2024, but this resilience was partial and uneven. Low  
140 unemployment coexisted with inflation, sector-specific shortages, care burdens, and health-  
141 relevant stress that are not captured by unemployment alone. For health and medicine readers, the  
142 main lesson is that labour policy, social policy, and health policy should be interpreted as  
143 interconnected domains.

144 A more health-sensitive crisis strategy for Israel would combine employment stabilization with  
145 childcare continuity, support for evacuated and reserve-service households, stronger occupational  
146 and mental-health protections, and long-term inclusion reforms that expand access to stable work  
147 without increasing precarity.

148

## 149 Comparison of crisis mechanisms in Israel

Crisis	Dominant labour-market mechanism	Groups/sectors most exposed	Health-relevant implication
COVID-19	Demand and mobility shock: closures, furloughs, reduced face-	Hospitality, tourism, retail, temporary workers, self-employed	Income loss, financial stress, deferred care, household insecurity

	to-face consumption	households	
Swords of Iron War	Labour-supply shock: reserve duty, displacement, school disruption, reduced access to non-Israeli workers	Construction, agriculture, reserve-service households, evacuees, peripheral communities	Work overload, burnout, caregiving strain, inflation pressure, mental stress

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## 154 Conflict of Interest

155 The author declares no conflict of interest.

## 156 Ethical Statement

157 This study used only aggregated public data and published reports. No ethical approval was  
158 required.

## 159 Data Availability

160 All data used in this manuscript are available from public publications and statistical series issued  
161 by the Bank of Israel and the Central Bureau of Statistics.

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