

CHAPTER VIII

NONPROFIT INSTITUTIONS

THE NONPROFIT INSTITUTIONS provide households with services in the fields of health, education, social welfare, and religion, as well as in the social and political fields. They do not operate from motives of financial gain, and their services are usually supplied free of charge or sold at a price covering only a fraction of the cost.

The services of the nonprofit institutions are similar to those provided by the public sector. The main difference between the two sectors lies in their form of organization and in their sources of finance. The nonprofit institutions are largely organized on a voluntary basis, and the bulk of their receipts consists of voluntary transfers from other domestic sectors, mainly households. The public sector, on the other hand, derives its income primarily from taxes, the collection of which is regulated by legislation. Moreover, while the public sector provides final services to households and intermediate services to business establishments, nonprofit institutions cater mainly to households.

In 1965 there were some 5,500 nonprofit institutions, but the sector is dominated by a small number of large institutions, such as the General Sick Fund of the Histadrut (General Federation of Labor), the Hebrew University, and the Executive of the Histadrut.¹ The overwhelming majority of the nonprofit institutions are organized as Ottoman societies,² while the rest are organized in some other form, such as cooperative societies or limited-liability companies. The latter are included in this sector, as their operations and methods of financing fit the definition of the survey population.

The most striking development in 1965 was the slower real increase of expenditure—3 percent only, as against 10 percent in 1964 and 7 percent in 1963 (see Table VIII-1). This can be attributed mainly to investment outlay,

¹ The large institutions also include other institutes of higher education, the welfare agencies of the Histadrut, the Hadassah Medical Organization, Wizo, Malben, Ort, etc. Also included among nonprofit institutions are some 4,300 synagogues, 200 yeshivot (Talmudic academies), 100 Talmud Torah religious schools, 50 secondary schools, and numerous clubs, youth institutions, immigrant associations, and various social and cultural organizations. Political parties, workers' committees, and several independent sports organizations are excluded for lack of reliable data on their financial operations. The structure and development of the nonprofit institutions are described in Bank of Israel Bulletin No. 25, "Development of Nonprofit Institutions, 1957-64", April 1966, pp. 44 ff.

² This survey deals only with institutions providing services to households; it excludes Ottoman societies which provide business services, such as the Cinema Owners Association.

which at constant prices dropped by 3 percent in 1965 following a 39 percent rise in 1964. Purchases on current account increased by over 4 percent at constant prices, about the same as in the previous year.¹

Table VIII-1
EXPENDITURE OF NONPROFIT INSTITUTIONS, 1960-65
(IL million, at current prices)

	Purchases on current account ^a	Purchases on capital account	Total expenditure	Percent increase in total expenditure over the previous year	
				At current prices	At constant prices
1960	347	53	400	13	7
1961	390	55	445	11	6
1962	444	59	503	13	2
1963	503	77	580	15	7
1964 ^b	582	112	694	19	10
1965 ^c	680	115	795	14	3

^a Including interest paid less interest received; excluding transfers to households.

^b Revised data.

^c Provisional data.

The decline in real investment was primarily a consequence of the exceptionally large expansion in 1964 (particularly in the fields of education and health). Compared with 1963, the figure for the year reviewed was 36 percent higher (in real terms). The drop in 1965 was therefore only to be expected, especially in view of the considerable increase in expenditure on current account, which reduced the amount available for investment.

The wage bill of the nonprofit institutions went up by 21 percent in 1965, compared with 16 percent the year before. The increase resulted partly from a 4 percent growth in the number of employees, the rest being due to higher wage and salary payments. The wage agreements signed in 1965 and the regrading of many employees should have caused an even greater increase in the wage bill, since the medical and teaching personnel in nonprofit institutions were granted particularly steep rises. On the other hand, payment of most of the retroactive wage increments and a large part of the rise due to the reclassification was deferred until 1966.

¹ The discrepancy between these figures and those cited in Chapter IV, "Private Consumption", is mainly due to the omission here of the political parties, which are included in the data of the Central Bureau of Statistics, on which the above chapter was principally based. There are also differences in the definition of the survey population.

Particularly noteworthy was the considerable increase in net transfers from the public sector, which grew by 24 percent in 1965 as compared with 20 percent the year before. The share of such transfers in total nonprofit institution receipts has moved up steadily—from 16 percent in 1961 to 19 percent in 1964 and 21 percent in 1965. This trend indicates a growing dependence on the public sector, and it can be ascribed to the fact that the institutions' ordinary sources of funds—transfers from households and sales of services—have failed to keep pace with rising expenditure, mainly because of wage increases. As a result, there has been a growing resort to the other sources of funds—transfers from abroad and from the public sector—but this has led to an increase only in the relative share of the latter. This indicates the Government's readiness to cover the extra labor costs incurred not only in its own institutions, but also in other public organizations directly affected by the wage rises granted in the public sector.

In recent years most of the public sector transfers have gone to educational institutions, enabling them to increase their proportion of total nonprofit institution activity (see Tables VIII-2 and VIII-7). In 1965 public sector transfers to such institutions went up by 27 percent to IL 100 million. However, the share of these institutions in the sector's total expenditure remained constant, after having moved up steadily from 31 percent in 1961 to 36 percent in 1964. Most of this increase can be ascribed to the rapid expansion of institutes of higher education.

Despite the rapid development of educational institutions, health institutions still rank first in respect of expenditure, accounting for 39 percent of the aggregate figure in 1965. Of this, some 30 percent was spent by a single institution, the General Sick Fund (the biggest nonprofit institution from the viewpoint of operations), which during the year reviewed was responsible for about 78 percent of the entire outlay on health services.

Table VIII-2
EXPENDITURE OF NONPROFIT INSTITUTIONS,^a BY FIELD
OF ACTIVITY, 1961-65
(percentages)

	1961	1962	1963	1964	1965
Health	39	41	40	38	39
Education	31	32	33	36	36
Social welfare	15	14	14	13	12
Others	15	13	13	13	13
Total	100	100	100	100	100

^a Purchases on current and capital account and transfers to households, less transfers to the public sector and interest received.

The percentage spent on social welfare has been declining, mainly because of budgetary restrictions which are felt more here than in the health and education fields. Another reason is the diminishing demand for the services of certain types of social welfare institutions—e.g. immigrant hostels, mutual aid organizations, free loans associations, and communal organizations—and the slower growth (relative to that of institutions in the remaining fields) experienced by youth institutions, orphanages, and the like.

The weight of expenditure in the other fields—religion, trade unions, and social organizations—remained constant in the past four years. These organizations derive most of their income from household transfers (see Table VIII-5), which have risen more or less proportionally to the growth of activities in the sector as a whole. The inclusion of political parties would have brought up the share of social organizations to a marked extent, since 1965 was an election year.

The demand surplus of the nonprofit institutions totalled IL 171 million in 1965, as against IL 159 million in 1964—an increase of only 8 percent, compared with 18 percent in 1964. The ratio between the demand surplus and gross purchases has been on the decline since 1961, and in 1965 showed a particularly steep drop.

1. ROLE OF THE NONPROFIT INSTITUTIONS AND THE PUBLIC SECTOR IN THE PROVISION OF SERVICES

Table VIII-3 sets forth the relative shares of the nonprofit institutions and the public sector in the provision of social services. It should be noted that the table does not indicate the share of the nonprofit institutions in the aggregate supply of such services, since they are provided by the business sector as well.¹

As a rule, these sectors complement each other in the provision of social services, each specializing in a particular type of service. In the field of health the nonprofit institutions are concerned mainly with health insurance and with clinical treatment and hospitalization for the insured. In the field of education most of the activity is in higher education and research, vocational education, and yeshivot, and—as with the public sector—also in secondary and agricultural schools.

A comparison with the public sector shows that the weight of nonprofit institutions in the provision of social services has been falling. This is attributable to the marked expansion of the public sector in this area; in the past few

¹ The business sector includes private physicians and hospitals, secondary schools, vocational and commercial schools, etc.

years it has stepped up its annual outlay on social services by an average of 25 percent, as compared with 17 percent for the nonprofit institutions.¹

Although the share of nonprofit institutions in the provision of health services declined in the past two years, it was still larger than that of the public sector, owing to the extensive activity of the Sick Funds. The latter function as nonprofit rather than State-run institutions because of their connection with trade unions, and in their operations they largely substitute for national health services.

Table VIII-3

EXPENDITURE* OF NONPROFIT INSTITUTIONS AND PUBLIC SECTOR,
BY FIELD OF ACTIVITY, 1961-65*

	1961	1962	1963	1964	1965
	IL million				
Health					
Public sector	71	85	94	120	146
Nonprofit institutions	172	206	232	269	315
Education, culture, religion					
Public sector	200	263	311	378	560
Nonprofit institutions	153	179	216	276	388
Social welfare					
Public sector	163	203	244	297	350
Nonprofit institutions	66	74	80	92	97
	Share of nonprofit institutions in total services provided by public institutions (%)				
Health	71	71	71	69	68
Education, culture, religion	43	41	41	42	41
Social welfare	29	27	25	24	22

* Expenditure of nonprofit institutions includes purchases on current and capital account and transfers to households, but not intrasector transfers. Public sector expenditure includes purchases on current and capital account, welfare payments, and development budget loans, less transfers to nonprofit institutions.

In the provision of educational, cultural, and religious services, the share of nonprofit institutions has not changed to any significant extent. This is the result of two developments pulling in different directions: expenditure of nonprofit institutions on higher education was increased considerably during the past two years, but at the same time public sector outlay on elementary, secondary, and agricultural education also rose appreciably.

¹ Public sector expenditure on social services consists of purchases on current and capital account, welfare payments, and development budget loans, less transfers to nonprofit institutions. These transfers should not be regarded as outlay on services provided by the public sector, but as the financing of services actually provided by the nonprofit institutions. Public sector transfers are presented in Table VIII-7.

As regards social services, the relative share of nonprofit institutions has been falling since 1961 as a result of the rapid increase in benefit payments by the National Insurance Institute.

2. "BALANCE OF PAYMENTS", BY TYPE OF RECEIPT AND PAYMENT

(a) Receipts

The sector's receipts grew from IL 687 million in 1964 to IL 779 million—i.e. by 13 percent, compared with 20 percent in 1964 (see Table VIII-6). Several changes occurred in the composition of these receipts during the period 1961-65 (see Table VIII-4). The most prominent, as already noted, was the growing weight of transfers from the public sector. On the other hand, the weight of transfers from households fell from 44 percent in 1961 to 40 percent in 1964 and 1965. The relative share of foreign transfers also declined, from 22 percent in 1964 to 20 percent in 1965.

Table VIII-4

RECEIPTS OF NONPROFIT INSTITUTIONS, BY SOURCE, 1961-65

(percentages)

Source	1961	1962	1963	1964	1965
Transfers from households and business firms ^a	44	42	41	40	40
Transfers from the rest of the world	22	23	22	22	20
Net transfers from the public sector	16	17	19	19	21
Sale of services ^b	18	18	18	19	19
Total	100	100	100	100	100

^a Including membership dues and fees, part of which may be regarded as purchases by households or as sales of services by nonprofit institutions; since it was impossible to separate these from transfers, all membership dues have been treated as transfers.

^b Excluding interest receipts which have been deducted from interest payments.

1. Transfers from households

Transfers from households to nonprofit institutions went up by 13 percent in 1965, compared with 18 percent in 1964. Most of the increase stemmed from a rise of 13 percent in dues paid to Histadrut institutions; dues paid to all nonprofit institutions totalled IL 254 million and constituted 33 percent of all receipts of the sector. The growth in this item was due mainly to the larger average wage received in 1965 by members whose income had not yet reached the maximum level subject to tax, and to a lesser extent to an increase

in membership.¹ About two-thirds of the transfers from households went to health institutions (see Table VIII-5). Trade unions and social organizations received about one-quarter. In these two fields household transfers constituted the leading source of income. At the same time, it should be noted that the proportion of household transfers to social welfare institutions dropped considerably in 1965 relative to their total receipts.

Table VIII-5

TRANSFERS FROM HOUSEHOLDS TO NONPROFIT INSTITUTIONS,
BY FIELD OF ACTIVITY, 1964-65

Field of activity	1964		1965		Household transfers as a percent of total receipts in field of activity ^a	
	IL m.	%	IL m.	%	1964	1965
	Health	173.0	62	199.5	64	65
Education	16.5	6	19.4	6	7	7
Social welfare	18.8	7	12.2	4	20	12
Others	68.8	25	82.5	26	74	75
Total	277.1	100	313.6	100	40	40

^a Including intrasector transfers, which are not included in total receipts of the sector.

2. *Transfers from the rest of the world*

Transfers from abroad were only 2 percent larger in 1965, compared with an 18 percent rise in 1964. Even disregarding 1963, when the figure fell conspicuously, a comparison of 1964 with 1962 shows an increase of 7 percent, or 4 percent on an annual average. The volume of such transfers has, with a few exceptions, remained virtually unchanged during the past few years, so that their relative share of total income has declined considerably. Transfers from abroad finance both current operations and investments. Most of them are earmarked for institutions operating in specific fields, e.g. institutes of higher education and research, yeshivot (Talmudic academies), and certain social welfare, educational, and health institutions,² including those belonging to the Christian community.

¹ Histadrut membership grew by about 50,000, or 6 percent; some of the additional members were new immigrants, who are exempt from dues for the first two years.

² Malben, Ort, Hadassah, Wizo, etc.

Table VIII-6
 "BALANCE OF PAYMENTS" OF NONPROFIT INSTITUTIONS, 1963-65
 (IL million)

Receipts	1963	1964 ^a	1965 ^b	In- crease from 1964 to 1965	Payments	1963	1964 ^a	1965 ^b	In- crease from 1964 to 1965
Transactions in goods and services									
Transfers from the public sector	107.9	129.8	161.2	31.4	Purchases on current account	485.3	559.1	649.5	90.4
Transfers from the rest of the world	127.7	151.3	154.4	3.1	Purchases on capital account	76.9	112.2	114.6	2.4
Transfers from households and private business enterprises					Transfer payments to households	18.1	22.9	30.9	8.0
Membership dues and fees	179.4	225.3	254.3	29.0					
Other transfers	55.0	51.8	59.3	7.5					
Sales on current account	103.8	128.8	149.5	20.7					
Total transfers and sales	573.8	687.0	778.7	91.7	Total	580.3	694.2	795.0	100.8
Financial transactions and intrasector transfers									
Net credit from other domestic sectors	6.5	7.2	16.3 ^c	9.1					
Transfers from other nonprofit institutions	11.8	9.5	20.4	10.9	Transfers to other nonprofit institutions	11.8	9.5	20.4	10.9
Total receipts	592.1	703.7	815.4	111.7	Total payments	592.1	703.7	815.4	111.7

^a Revised figures.

^b Provisional figures.

^c Credit data for 1965 are liable to change considerably.

Approximately IL 88 million (about 57 percent) of all foreign transfers in 1965 went to educational institutions, especially those of higher learning and research. The bulk of these funds was intended for investment purposes, and in some cases the money was specifically earmarked for a certain project and presumably would not have been forthcoming unless it was carried out. Conceivably, the dependence of these institutions on foreign sources for their development budgets restricts their freedom in allocating funds.

Social welfare institutions received about 27 percent of all foreign transfers in 1965. Most of these funds were intended for various women's organizations and Malben. In the two aforementioned fields—education and social welfare—overseas transfers constitute the leading revenue item.

3. *Transfers from the public sector*

Net transfers from the public sector expanded by IL 31 million in 1965 and totalled IL 161 million—an increase of 24 percent, as against 20 percent in 1964. Since 1962 the volume of such transfers has almost doubled. Educational institutions received 62 percent of all public sector transfers in 1965, bringing up the share of this source to 36 percent of their total income, as compared with 32 percent in 1964 and 28 percent in 1960 (see Table VIII-7). This is indicative of the growing dependence of these institutions on the public sector for their financing.

Table VIII-7

**NET PUBLIC SECTOR TRANSFERS TO NONPROFIT INSTITUTIONS,
BY FIELD OF ACTIVITY, 1964-65**

Field of activity	1964		1965		Public sector transfers as a percent of total receipts in field of activity ^a		
	IL m.	%	IL m.	%	1960	1964	1965
Health	32.8	25	39.6	24	11	12	13
Education	78.4	60	99.8	62	28	32	36
Social welfare	12.4	10	15.5	10	17	13	15
Others	6.2	5	6.3	4	1	7	6
Total	129.8	100	161.2	100	15	19	21

^a Including intrasector transfers, which are not included in total receipts of the sector.

4. *Sales on current account*

Income from sales of services and goods amounted to approximately IL 150 million, a growth of IL 21 million, or 16 percent, over 1964, compared with a rise of 24 percent in 1964. About 41 percent of the sales were accounted

for by educational institutions, representing some 22 percent of their total proceeds. Most of these receipts were school fees, while the remainder came from the participation of various institutions in the financing of research and scientific projects.

The health institutions' receipts from sales of services rose by about 15 percent, reaching IL 54 million, or approximately 36 percent of total sales by the sector. The reference is to the direct sale of services, including transfers from the National Insurance Institute on account of health insurance and hospitalization. It should be stressed, however, that no sharp line can be drawn between the various kinds of receipts and that membership dues, for instance, might possibly be regarded as medical insurance premiums, i.e. as sales; in this case the division between sales and transfers from households would be entirely different.

(b) *Payments*

The outlay of nonprofit institutions, on both current¹ and capital account, totalled IL 795 million at current prices, as against IL 694 million in 1964—an increase of 15 percent over 1964, when expenditure rose by as much as 20 percent. As regards the composition of the sector's expenditure, developments in 1964 departed from the usual pattern: purchases on current account moved down from 84 percent of total outlay in 1963 to only 81 percent, while purchases on capital account went up from 13 to 16 percent (see Table VIII-8). In 1965 the proportion of capital outlay declined but was still higher than in the period before 1964. Taking the past two years together, there was a slight drop in the relative share of expenditure on current account, and a rise in the share of capital outlay. The increased weight of the former item in 1965 was partly due to the substantially larger wage payments.

Table VIII-8
EXPENDITURE OF NONPROFIT INSTITUTIONS, 1961-65^a

(percentages)

	1961	1962	1963	1964	1965
Purchases on current account	84	85	84	81	82
Purchases on capital account	13	12	13	16	14
Transfers to households	3	3	3	3	4
Total	100	100	100	100	100

^a Excluding transfers to the public sector. In the current-account outlays, interest paid is shown net of interest received. Intrasector transfers are not included in total expenditure.

¹ Including transfers to households.

1. Purchases on current account

Purchases on current account totalled IL 650 million in 1965, an increase of 19 percent over the previous year, as against 15 percent in 1964. However, if we eliminate the steep rise in prices, we find that the real increase came to only 4 percent (5 percent in 1964). On the other hand, the noninclusion of the political parties introduces a downward bias in the data in an election year. Most of the increment was in wage payments, which went up from IL 344 million in 1964 to IL 415 million—i.e. by 21 percent, as against 16 percent in 1964. However, it should be borne in mind that not all of the retroactive wage differentials have been paid as yet. Thus in 1965 wages accounted for over 52 percent of aggregate expenditure, compared with less than 50 percent in 1964.

The share of health institutions in the total wage bill went up from 40 percent in 1960 to 43 percent in 1964 and 1965, while the share of educational institutions rose from 25 to 32 percent during the same period. These changes stemmed from the more rapid development of educational and health institutions, where outlay on wages account for a relatively large part of total expenditure and where the pay rises granted in recent years have been relatively high. Other purchases on current account¹ added up to IL 234 million, or 9 percent more than in the previous year.

2. Purchases on capital account

Purchases on capital account amounted to IL 115 million, as against IL 112 million in 1964—an increase of 2 percent, compared with a nominal rise of 46 percent in the previous year. This precipitous drop and that in real investment mentioned above were due to the much smaller investment in the social welfare field and in institutions affiliated to the trade unions, as well as to the exceptionally heavy investments made in 1964. Investment in educational institutions grew by 15 percent, and in health institutions by 4 percent, but in social welfare and other institutions the figure fell by 34 and 35 percent respectively.

3. Transfers to households

Transfers to households and businesses totalled IL 31 million, compared with IL 23 million in 1964—an increase of 35 percent, as against 27 percent in the previous year. This growth can be attributed to the much larger volume of transfers to households from health and welfare institutions, and to the increase in scholarships and other stipends to students in yeshivot and other educational institutions.

¹ Purchases of goods and services, rent, taxes, and net interest.

(c) *Financial transactions*¹

Net long-term borrowing from the public sector rose by IL 5 million, compared with IL 1 million the year before. The balance of credit from other domestic sectors went up by IL 16 million, as compared with IL 7 million in 1964.

Transactions in financial assets include transactions in securities. Only a very few institutions hold securities—a number of old-folks homes, loan funds, and institutions of higher learning—and their holdings are small, yielding only a minor proportion of their income. In this respect, nonprofit institutions in Israel differ from those in other (Western) countries, where portfolio investment constitutes an important source of income. This situation is largely due to the linking of donations and legacies to specific investment and development projects, and the fact that most institutions operate on a deficit budget.

3. DEMAND SURPLUS AND FINANCING OF PURCHASES ON CAPITAL ACCOUNT

(a) *Demand surplus*

The demand surplus of the sector is defined as the excess of net purchases (i.e. less sales) over transfers from other domestic sectors. The surplus, at current prices, has been growing steadily over the last five years (see Table VIII-9); in other words, the increase in receipts from local sources is lagging behind that of expenditure. It should be stressed, however, that the demand surplus is actually accounted for by a small number of institutions financed largely by transfers from abroad, e.g. Ort, Wizo, Malben, and Hadassah. These institutions, whose headquarters are located overseas, constitute a link between Israel and the Diaspora and enable Jews abroad to actively participate in the spheres of education, health, and social welfare in Israel. The operations of these institutions are largely financed by foreign transfers—which they treat as ordinary receipts—and this results in the creation of a demand surplus, as defined here.

In 1965 the surplus totalled IL 171 million. Of this sum, 90 percent was covered by transfers from abroad, compared with 95 percent in 1964, and only 10 percent through additional domestic credit.

One criterion of the sector's dependence on its demand surplus is the ratio between it and total purchases. Whereas in 1961 the demand surplus amounted to 25.3 percent of total purchases, the proportion declined to 23.6 percent in 1964 and 22.3 percent in 1965. This indicates a relatively diminishing dependence on the demand surplus, or to be more precise, on overseas transfers

¹ The data in this section should be accepted with some reservation since they are incomplete and in most cases apparently have a downward bias.

Table VIII-9

**DEMAND SURPLUS OF NONPROFIT INSTITUTIONS AND FINANCING
THEREOF, 1961-65**

(IL million)

	1961	1962	1963	1964	1965
Demand surplus					
Purchases, less sales	352.9	397.5	458.4	542.5	614.6
Less: Net transfers from domestic sectors	244.0	278.3	324.2	384.0	443.9
Total	108.9	119.2	134.2	158.5	170.7
Financing of demand surplus					
Transfers from the rest of the world	92.1	114.4	127.7	151.3	154.4
Net credit from other domestic sectors	16.8	4.8	6.5	7.2	16.3
Total	108.9	119.2	134.2	158.5	170.7
Demand surplus as a percent of gross purchases	25.3	24.4	23.9	23.6	22.3

and loans from other domestic sectors. The decline in this ratio indicates that domestic receipts from the sale of services and net transfers from other sectors have been growing more rapidly than total expenditure.

(b) *Saving of the sector and financing of capital expenditure*

Nonprofit institution saving is defined as the excess of transfers on current account from other domestic sectors¹ over net purchases² on current account. This saving, which has been of a negative magnitude in every one of the last few years, actually represents the sector's share in national saving. The amount of dissaving increased in 1965 from IL 48 million to IL 61 million—i.e. by 29 percent, compared with a drop of 21 percent in 1964 which was an exceptional year in this respect (see Table VIII-10). But the 1965 figure differed only slightly from that of 1963.

Transfers from abroad are intended partly for financing the current activities of the nonprofit institutions and partly for financing their investments. If the sector's dissaving is added to total overseas transfers, the figure may be taken to represent the contribution of this source to the financing of investment.

¹ Household transfers for investment purposes have not been classified separately owing to lack of data. All transfers from households have been treated as transfers on current account.

² Purchases less sales.

Table VIII-10

**SHARE OF NONPROFIT INSTITUTIONS IN NATIONAL SAVING AND
THE FINANCING OF CAPITAL OUTLAY, 1963-65**

(IL million)

	1963	1964	1965
1. Net transfers from other domestic sectors ^a	321.2	382.7	438.8
2. Purchases on current account, less sales	381.5	430.3	500.0
3. Share in national saving (1-2)	-60.3	-47.6	-61.2
4. Transfers from abroad	127.7	151.3	154.4
5. Subtotal (3+4)	67.4	103.7	93.2
6. Net credit from other domestic sectors	6.5	7.2	16.3
7. Transfers from the public sector on capital account	3.0	1.3	5.1
8. Balance available for financing investments (5+6+7)	76.9	112.2	114.6

^a Household transfers for investment purposes have not been classified separately owing to lack of data. All transfers from households have been treated as transfers on current account.

This figure rose from IL 67 million in 1963 to IL 104 million in 1964—i.e. by 54 percent—but fell by 10 percent in 1965, to IL 93 million (see Table VIII-10, line 5). Thus, compared with 1963, the increase amounted to 38 percent, and the balance covered 81 percent of the sector's investments in 1965, as against 92 percent in 1964. The share of public sector transfers in total receipts on capital account went up conspicuously in 1965, after having declined in 1964. The proportion of net credit from other domestic sectors rose from 6 percent in 1964 to 14 percent in 1965.