Digital Convergence
USP2030

Linking social protection and public employment services (PES) through system interoperability

Analytical report and country case studies

Digital Convergence Initiative (DCI)

DCI is the global initiative for the digital transformation of social protection systems. Established as part of the USP2030 partnership, the DCI is an open and collaborative platform for governments, development partners, civil society organizations and the private sector united by a shared vision: expanding the coverage of social protection and enhancing its delivery through inclusive, interoperable digital systems.

Visit our website at ▶ spdci.org

Publication Survey

Your opinion is valuable to us.

Please ▶ click here to provide feedback on this publication.

Acknowledgements

This report was authored by Martina Bergthaller (independent consultant) and co-authored by Céline Peyron Bista (ILO), Marcelo Cuautle Segovia (ILO), Veronika Wodsak (ILO), and Liyuan Xiao (ILO).

We would like to thank all key informants for the country case studies included in this report for their valuable insights and engagement. In particular, we acknowledge Nicolás Ratto Ribo, Carolina Poblete Cofré, and Sergio Contreras Fuentealba from the Ministry of Labour and Social Welfare, Chile; Verónica Achá Alvarez from the Ministry of Social Development, Chile; Manuel Andres Alfaro Gomez from the Chilean National Employment and Training Service; and Ercan Dansuk and Mavera Yücel from the Ministry of Family and Social Services, Türkiye, for their valuable contributions during key informant interviews and for reviewing this report.

We are grateful to Guillermo Montt and Gerhard Reinecke from ILO, Anita Mittal from GIZ, as well as Melis Guven, Sandor Karacsony, Aylin Isik-Dikmelik, and Agastya Yea-churi from the World Bank for their helpful input. Finally, we would like to thank Susan Sellars, consultant editor, for bringing this report into its final form.

Contents

Acknowledgements ... 2

List of acronyms ... 5

Executive summary ... 8

Benefits of collaboration and (digital) interoperability ... 8

Examples of collaboration ... 9

Lessons learnt ... 10

Conclusion ... 11

1 Introduction ... 12

1.1 Framing the issue ... 12

1.2 Objective ... 18

1.3 Methodology ... 21

1.4 Study outline ... 22

2 Defining the thematic areas ... 23

2.1 Social protection systems ... 24

2.2 Public employment services ... 32

3 Benefits of collaboration and (digital) interoperability ... 40

3.1 Collaboration – Benefits to different users ... 40

3.2 Digital interoperability – Benefits from an institutional perspective ... 43

4 Practical examples of collaboration – use cases ... 45

4.1 Social protection-initiated collaboration ... 45

4.2 PES-initiated collaboration ... 53

5 Interoperability dimensions ... 56

6 Lessons learnt from the country case studies ... 58

7 Conclusion ... 61

Annex 1. Chile 69

Annex 2. Republic of Korea 105

Annex 3. Türkiye 139

Figures, tables and boxes

Figure 1. Overview of characteristics and features of social protection schemes and benefits 26

Figure 2. Social protection delivery chain 27

Figure 3. Overview of programmes and services provided by ALMPs, PES and social protection institutions 34

Figure 4. The PES delivery chain 36

Figure 5. Visualizing links between social protection and PES information systems 44

Table 1. Benefits of collaboration between social protection administrations and PES 42

Box 1. The Global Accelerator on Jobs and Social Protection for Just Transitions 14

Box 2. The link between ALMPs and social protection benefits in the ILO's normative framework 15

Box 3. What is interoperability? 18

Box 4. The Digital Convergence Initiative 19

Box 5. The role of ID systems for data exchange between social protection administrations and PES 30

Box 6. The PES delivery chain 34

Box 7. Labour market information systems 38

List of acronyms

AFC	Administradora de Fondos de Cesantía de Chile (Unemployment Fund Management Company)
ALMP	active labour market policy/programme
API	application programming interface
BNE	Bolsa Nacional de Empleo (National Employment Platform)
CCIL	Comité de Coordinación de Intermediación Laboral (Labour Intermediation Coordination Committee)
CIC	Cuentas Individuales de Cesantía (Individual Unemployment Account)
CLP	Chilean peso
CMIS	case management information system
COMWEL	Korea Workers' Compensation & Welfare Service
CRVS	civil registration and vital statistics
CSE	Clasificación socioeconómica (socioeconomic classification)
CV	curriculum vitae
DB	database
DCI	Digital Convergence Initiative
dSR	dynamic social registry
EIS	Employment Insurance System
EWPC	Employment Welfare Plus Centre
FCS	Fondo de Cesantía Solidario (Solidarity Unemployment Fund)
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
HRD-Net	Human Resources Development Network
IBR	integrated beneficiary registry
ID	identification/identifier
ILO	international Labour Organization
İMD	Job and Vocational Counsellor (İş ve Meslek Danışmanı)
ISAS	Integrated Social Assistance System
İŞKUR	Türkiye İş Kurumu (Turkish Employment Agency)
JSA	Job-Seeking Allowance
KEIS	Korea Employment Information Service
KRW	Korean won
LMIS	labour market information system
MDSF	Ministerio de Desarrollo Social y Familias (Ministry of Social Development and Family)

MIS	management information system
MoEL	Ministry of Employment and Labor
MoFSS	Ministry of Family and Social Services
MoHW	Ministry of Health and Welfare
MoU	memorandum of understanding
MTPS	Ministerio del Trabajo y Previsión Social (Ministry of Labour and Social Welfare)
NBLS	National Basic Livelihood Security
NESP	National Employment Support Programme
NGO	non-governmental organization
OECD	Organisation for Economic Co-operation and Development
OMIL	Oficinas Municipales de Información Laboral (Municipal Employment Information Offices)
PES	public employment services
PISEE	Plataforma Integrada de Servicios Electrónicos del Estado (Integrated Platform for Electronic Government Services)
REL	Registro Electrónico Laboral (Electronic Labour Contract Registry)
RIS	Registro de Información Social (Social Information Registry)
RRN	Resident Registration Number
RSH	Registro Social de Hogares (Social Registry of Households)
RUN	Rol Único Nacional (National Unique Identification Number)
RUT	Rol Único Tributario (Tax Identification Number)
SA	social assistance
SADG	Social Assistance Directorate General
SASF	Social Assistance and Solidarity Foundation
SDG	Sustainable Development Goal
SEJ	Subsidio al Empleo Joven (Youth Employment Subsidy)
SENCE	Servicio Nacional de Capacitación y Empleo (National Training and Employment Service)
SGK	Sosyal Güvenlik Kurumu (Social Security Institution)
SI	social insurance
SII	Servicio de Impuestos Internos (Internal Revenue Service)
SMT	Subsidio al Empleo de la Mujer Trabajadora (Employment Subsidy for Working Women)
SP	social protection
TL	Turkish lira
TÜBİTAK	Türkiye Bilimsel ve Teknolojik Araştırma Kurumu (Scientific and Technological Research Council of Türkiye)

TVET	technical and vocational education and training
UI	unemployment insurance
UN	United Nations
USP	Universal Social Protection
VUS	Ventanilla Única Social (One-Stop Social Service Centre)

Executive summary

This report explores how digital interoperability can strengthen coordination between social protection systems and public employment services (PES), with a focus on improving service integration, labour market outcomes, and access to income support. Conducted under the Digital Convergence Initiative (DCI), the study combines a desk-based review of academic literature, policy reports and institutional publications with in-depth analysis of three country case studies – Chile, the Republic of Korea and Türkiye – to illustrate different purposes, modes and levels of collaboration, and to generate lessons learnt for future engagement in this area.

The analysis is motivated by the persistent fragmentation of social protection and employment services, despite their shared objective of supporting individuals facing labour market risks. While both systems often serve overlapping populations, they frequently operate in parallel, with limited coordination and data exchange. At the same time, the expansion of digital ecosystems – including interoperable platforms, shared data infrastructure, and digital identification systems – offers new opportunities to bridge these divides.

Benefits of collaboration and (digital) interoperability

Enhanced collaboration between social protection and PES, supported by digital interoperability, can yield substantial benefits at the individual, enterprise, and national levels.

- For workers and jobseekers, it enables a more comprehensive form of support by linking income security with labour market measures. This integrated approach enhances employability, facilitates transitions into formal and decent work, reduces administrative burdens, and strengthens resilience to economic and lifecycle risks.
- For employers, stronger links contribute to more efficient job matching and reduced hiring costs, while improving the alignment between the skills supply and labour market demand. By supporting jobseekers in accessing training and reskilling opportunities, coordinated systems can increase the availability of qualified candidates and support productivity.

- From a government perspective, improved coordination increases administrative efficiency and reduces duplication through shared systems and processes. It also supports faster labour market reintegration, and thereby expands the social insurance base and strengthens fiscal sustainability. More broadly, coordinated approaches contribute to social inclusion, reduced inequality, and more resilient labour markets, while supporting individuals through key transitions such as school-to-work, return to employment, and structural economic change.

Examples of collaboration

The report identifies a set of practical use cases that illustrate how interoperability between social protection and PES can support different policy and operational objectives. They are grouped according to the institutional entry point, distinguishing between social protection-initiated and PES-initiated collaboration.

Social protection-initiated collaboration:

- Supporting beneficiaries of unemployment benefits and social assistance in accessing employment services (for example, referrals, automatic registration, integrated case management)
- Facilitating school-to-work transitions for youth from social assistance households through links to PES and training systems, combined with income support measures
- Monitoring compliance with activation requirements through data exchange on participation in job search, training, and employment programmes
- Verifying employment status to adjust, suspend, or terminate benefits based on confirmed labour market outcomes
- Integrating labour market data from PES platforms into social protection systems to improve eligibility assessments and provide a comprehensive view of benefit receipt

PES-initiated collaboration:

- Supporting PES users in accessing social protection benefits through referrals, eligibility checks, and shared case management
- Providing employment subsidies targeted at beneficiaries of social assistance or unemployment benefits and the employers hiring them
- Monitoring employer compliance with social insurance obligations, particularly in the context of subsidized employment, through data exchange and cross-checks between systems

Lessons learnt

The country case studies illustrate different approaches to strengthening linkages between social protection systems and PES. While country contexts and interoperability solutions vary considerably, a number of general lessons can be derived.

Lesson 1. A clear vision aligns social protection and employment objectives: Alignment between social protection and employment objectives ensures that income support and activation measures reinforce each other rather than operate in isolation.

Lesson 2. Phased reforms and iterative system development help manage complexity: Gradual, iterative approaches to policy reform and digital system development help manage complexity, allow institutional learning, and reduce implementation risks.

Lesson 3. Robust institutional coordination mechanisms underpin successful interoperability: Clear governance structures, defined roles, and regular coordination mechanisms are necessary to translate data exchange into operational outcomes.

Lesson 4. Clear legal frameworks enable secure and trusted data sharing across institutions: Explicit mandates for data access, use, and protection reduce uncertainty, support institutional cooperation, and safeguard personal data.

Lesson 5. Real-time data exchange can substantially improve efficiency, but is not always feasible or necessary: While real-time interoperability can enhance accuracy and responsiveness, well-designed periodic or partial data exchange can also deliver meaningful results.

Lesson 6. Integrated digital service platforms break down silos and simplify access: Unified systems can function as one-stop shops, simplifying access for users and improving administrative efficiency across services.

Lesson 7. Combining digital tools with human-centric support is essential for impact: Interoperability alone is insufficient; effective outcomes depend on frontline capacity, user-oriented design, and adequate resources for service provision.

Lesson 8. Some groups require tailored and intensified support to transition into employment: Standard activation measures are often insufficient; flexible, targeted interventions and appropriate incentives are required to support sustainable labour market integration.

Conclusion

The analysis highlights several key considerations for strengthening linkages between social protection systems and PES. A key conclusion is that institutional capacity is a decisive factor in effective collaboration. Digital interoperability can significantly enhance coordination and service delivery, but it cannot compensate for gaps in core service capacity. Strengthening both PES and social protection institutions – through adequate staffing, well-functioning administrative systems, and tailored service provision – should, therefore, be seen as a foundational investment.

In contexts where these systems remain underdeveloped, particularly in low- and middle-income countries, capacity building may need to precede or accompany efforts to establish digital interoperability. Expanding basic employment services, strengthening benefit administration and case management, and investing in staff capabilities are essential preconditions to ensure that digital systems can be used effectively.

The study also underscores that digital interoperability is a means to an end, not an end in itself. Its value lies in supporting broader policy objectives, such as poverty reduction, labour market inclusion, and formalization. To be effective, digital solutions must be anchored in robust legal frameworks, clear governance arrangements, and well-aligned operational processes.

Finally, the appropriate level and form of collaboration should be tailored to the country context and policy priorities. A phased and pragmatic approach that builds on existing institutions, prioritizes high-value use cases, and allows systems to evolve over time is most likely to deliver sustainable results.

1 Introduction

1.1 Framing the issue

Over the past decade, social protection and employment policies have gained increasing prominence within global development frameworks, notably the 2030 Agenda for Sustainable Development. Recognized as foundational elements for achieving several Sustainable Development Goals (SDGs) – particularly those related to poverty eradication (SDG 1), decent work and economic growth (SDG 8), and reduced inequality (SDG 10) – these policy areas are increasingly seen as mutually reinforcing pillars of inclusive and sustainable development, as reflected in the Doha Political Declaration of the World Social Summit 2025. Yet significant gaps in social protection coverage remain worldwide, and progress in closing them has been slow (ILO 2024a). Addressing these gaps requires rethinking how individuals who are capable of working, but are not yet in decent employment or self-employment, can be more effectively connected to social protection systems and labour market opportunities.

Social protection is understood here as the set of policies and programmes aimed at preventing or protecting all people from poverty, vulnerability, and social exclusion throughout their lifecycle, with a particular emphasis on vulnerable groups. Social protection is provided in cash or in-kind through non-contributory schemes providing universal, categorical, or poverty-targeted benefits, such as social assistance, or contributory schemes, with social insurance being the most common form.[1]

As countries face complex challenges, such as economic volatility, demographic shifts, labour market disruptions due to automation and technological change, and climate-related disruptions, there is growing consensus on the need to move beyond siloed approaches. Improved coherence between social protection systems and active labour

1 In some international policy frameworks and approaches by development partners, social protection is defined more broadly to include labour market policies, including ALMPs. In this study, in line with the agreed definitions in international labour standards, social protection and ALMPs, including services delivered by PES, are treated as related, but distinct, policy areas.

market policies and programmes (ALMPs)[2] – and, more specifically, those delivered by labour market institutions such as public employment services (PES)[3] – has emerged as a potential strategy to better navigate these transitions and provide access to decent employment. PES institutional mandates are defined by national law, often in conformity with the Employment Service Convention, 1948 (No. 88) and Employment Promotion and Protection against Unemployment Convention, 1988 (No. 168), and are uniquely positioned to act as an institutional 'bridge' between social protection and labour market support. Such integrated or coordinated approaches[4] are already implemented in many advanced economies (Dingeldey 2007) and could also be pursued by developing countries under certain conditions.

In this context, social partners, i.e. workers' and employers' organizations, play a central role in shaping both social protection systems and labour market policies and their interaction. Through social dialogue and tripartite governance mechanisms, social partners contribute to the design, implementation and monitoring of policies such as unemployment protection schemes, ALMPs and employment services. Their involvement helps ensure that policies respond to labour market realities, promote decent work and balance the needs of workers and enterprises.[5]

Strengthening collaboration[6] between social protection schemes and PES is crucial for enhancing full employment, promoting access to decent work, and preventing and reducing poverty (Peyron Bista and Carter 2017). More specifically, improved coordination and cooperation between the responsible institutions (or within different departments of the same institution) can better align labour demand and supply, reduce in-work poverty,[7] better tailor benefits and services to individual and labour

2 In this study, ALMPs refer to government policies and programmes designed to support individuals in finding employment and improving their employability. They typically include measures such as training programmes, public works schemes, employment subsidies, support for self-employment and micro-enterprise creation, employment services, such as job-search assistance and career guidance, typically delivered through public employment services (PES). (https://www.ilo.org/what-works-active-labour-market-policies-and-their-joint-provision).

3 Public employment services (PES) are defined in the ILO Employment Service Convention, 1948 (No. 88) as a national system of employment offices operating under the direction of a national authority to support the organization of the labour market and assist workers and employers in finding employment and labour.

4 In the context of this study, coordination refers to arrangements through which social protection and employment services align policies, exchange information and collaborate operationally, while maintaining distinct institutional mandates. Integration denotes a deeper form of collaboration in which services, processes or delivery mechanisms are jointly managed or combined, for example, through shared case management, unified service delivery points or integrated digital systems.

5 The principle of tripartite participation of representative organizations of employers and workers in the design and governance of both social protection systems and employment policies is firmly anchored in the related labour standards, notably the Employment Policy Convention, 1964 (No. 122), Article 3, Social Protection Floors Recommendation, 2012 (No. 202) Paragraph 3(f) and Social Security (Minimum Standards Convention 1952 (No. 102) Article 6.

6 Based on the definitions in Gulati et al. (2012), collaboration is understood here, and used throughout the document, as an umbrella term that encompasses both coordination (the deliberate alignment and adjustment of actions to achieve those goals in an orderly and efficient manner) and cooperation (defined as the joint pursuit of agreed goals grounded in a shared understanding of roles, contributions, and benefits).

7 In-work poverty refers to the situation in which employed individuals live in poverty, indicating that their employment-related incomes are insufficient to lift them and their families out of poverty and to ensure decent living conditions (ILO 2019).

market needs, and promote decent working conditions (Asenjo et al. 2024). It could also significantly enhance efficiency by providing seamless access to both financial support through existing social protection schemes and employment services, such as job search assistance, career counselling, job placement, and referrals to training or entrepreneurship support.

This integrated approach is also central to the strategy of the Global Accelerator on Jobs and Social Protection for Just Transitions, which aims to advance inclusive, sustainable development by simultaneously expanding social protection and creating decent jobs (▶ see Box 1).

Box 1. The Global Accelerator on Jobs and Social Protection for Just Transitions[8]

Launched in 2021 by the United Nations (UN) Secretary-General, the Global Accelerator on Jobs and Social Protection for Just Transitions brings together UN Member States, UN agencies, international financial institutions, public development banks, social partners, civil society, and the private sector to create a virtuous cycle of sustainable development that generates economic and social returns and facilitates the transition to a resilient, sustainable, and inclusive world.

The initiative's objective is twofold: to **guarantee the future of the 4 billion people currently without social protection** and to **create 400 million decent jobs in future-oriented sectors**. The aim is to accelerate the implementation of global measures that are urgently needed to mitigate current crises and promote just transitions in key areas such as ecology, technology and social structures, to achieve a more sustainable and inclusive economy. The ILO is responsible for coordinating the activities of the UN system.

The Global Accelerator is structured around three complementary and mutually supportive pillars:

- Pillar 1. Integrated and evidence-based national strategies and policies
- Pillar 2. Integrated financing through a combination of domestic resources and international financial support
- Pillar 3. Increased multi-stakeholder engagement, including social partners, and multilateral cooperation

These three interlinked pillars are designed to improve the level and coordination of the multilateral system's efforts to achieve its stated objectives.

8 https://www.unglobalaccelerator.org/about

The streamlining of social protection and employment services is grounded in the ILO's normative framework. Several key ILO instruments emphasize the importance of coordination and cooperation between the two areas, as well as the alignment of social protection policies with broader employment and economic objectives. The excerpts in ▶ Box 2 highlight how these principles are embedded in international labour standards.

Box 2. The link between ALMPs and social protection benefits in the ILO's normative framework

Several international labour standards provide the normative basis for coordination between employment policies, labour market institutions and social protection systems.

Employment Policy Convention, 1964 (No. 122) (Article 2)
*Each Member shall, by such methods and to such extent as may be appropriate under national conditions (a) decide on and keep under review, **within the framework of a co-ordinated economic and social policy**, the measures to be adopted for attaining the objective of full, productive and freely chosen employment …*

This convention provides the primary normative basis for aligning employment policies and social protection systems.

Employment Service Convention, 1948 (No.88) (Article 6)
The employment service … shall: … (d) co-operate in the administration of unemployment insurance and assistance and of other measures for the relief of the unemployed; and (e) assist, as necessary, other public and private bodies in social and economic planning calculated to ensure a favourable employment situation …

This convention establishes PES and requires cooperation with unemployment protection schemes and broader employment policy.

Employment Promotion and Protection against Unemployment Convention, 1988 (No.168) (Articles 2 and 12)
Each Member shall take appropriate steps to co-ordinate its system of protection against unemployment and its employment policy. To this end, it shall seek to ensure that its system of protection against unemployment, and in particular the methods of providing unemployment benefit, contribute to the promotion of full, productive and freely chosen employment, and are not such as to discourage employers from offering and workers from seeking productive employment. Each Member may determine the method or methods of protection by which it chooses to put into effect the provisions of the Convention, whether by a contributory or non-contributory system, or by a combination of such systems.

This convention links unemployment protection with labour market integration measures and includes provisions on suitable employment, activation requirements and the rights of unemployed persons, including safeguards related to job acceptance.

Private Employment Agencies Convention, 1997 (No. 181) (Articles 12 and 13)

A Member shall determine and allocate, in accordance with national law and practice, the respective responsibilities of private employment agencies ... and of user enterprises in relation to:

...

(d) statutory social security benefits;
(e) access to training.

A Member shall, in accordance with national law and practice and after consulting the most representative organizations of employers and workers, formulate, establish and periodically review conditions to promote cooperation between the public employment service and private employment agencies.

These provisions establish a framework for cooperation between public and private employment services, while ensuring that workers placed through private agencies retain access to labour protections, social security and training opportunities.

Social Protection Floors Recommendation, 2012 (No.202) (Article 10)

In designing and implementing national social protection floors, Members should:

(a) combine preventive, promotional and active measures, benefits and social services;
(b) promote productive economic activity and formal employment through considering policies that include public procurement, government credit provisions, labour inspection, labour market policies and tax incentives, and that promote education, vocational training, productive skills and employability; and
(c) ensure coordination with other policies that enhance formal employment, income generation, education, literacy, vocational training, skills and employability, that reduce precariousness, and that promote secure work, entrepreneurship and sustainable enterprises within a decent work framework.

This Recommendation emphasizes the integration of social protection with labour market and employment policies.

In practice, a growing number of low- and middle-income countries are designing social protection schemes that not only provide income support, but also connect recipients of working age to income generating opportunities and labour market integration measures. Approaches vary and may include proactive support for workers, including youth transitioning from school to work, to enter the labour market and access decent employment; the introduction of conditionalities that require working age social assistance recipients to participate in active labour market measures; and preferential access to ALMPs for vulnerable groups already enrolled in or qualifying for social protection programmes (Peyron Bista and Carter 2017).

Despite these developments, in many contexts social protection and PES stakeholders and systems neither share information nor coordinate effectively in implementing such approaches. This is often due to institutional silos, unclear mandates, and the absence of formal or informal coordination mechanisms. Where stakeholders and systems have begun to collaborate, progress has typically been enabled by coordinated governance mechanisms, legal frameworks, and clearly defined organizational processes. In many countries, these arrangements also involve social partners through tripartite advisory bodies or sectoral dialogue platforms that help align employment services, labour market programmes and social protection measures with labour market needs. Moreover, these efforts are increasingly supported by digital technologies, automated data exchange and shared information systems (ILO 2023b). However, in countries with high labour market informality, increased coordination between PES and social protection has limited impact. In these contexts, the focus should be on leveraging both PES and social protection systems to facilitate the formalization of enterprises and employment relations in line with the Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204).

Building on significant progress in the digitalization of both social protection and PES systems, governments are increasingly leveraging integrated data and interoperable platforms to improve collaboration, streamline administrative workflows, and enhance the overall effectiveness of service delivery. By enabling more efficient information flows, reducing administrative burdens, and supporting seamless access to benefits and employment services, digital solutions can help realize the full potential of closer collaboration between the two policy areas. Beyond efficiency gains, digital interoperability can also drive broader systems change by breaking down institutional silos, clarifying mandates, and fostering collaboration across government.

Box 3. What is interoperability?[9]

Interoperability in the public sector is about enabling connections between ministries, departments, agencies, sectors, and government levels through data sharing, information systems, legal agreements, organizational processes, and shared values and customs. For responsive and efficient public service delivery, it is crucial to move from silos to a whole-of-government approach. Instead of every government entity working in isolation towards organization-specific goals, departments across government levels, sectors, and country borders can work together to achieve joint goals.

Apart from technological convergence – developing and agreeing on the necessary IT environment (technical interoperability) – the idea of interlinking components of social protection and other relevant government information systems requires cooperation and coordination across various dimensions and among different stakeholders. This includes connecting institutions and agencies responsible for the various components of a social protection system (governance interoperability), preparing the legal and political environment for data sharing (legal interoperability), aligning the processes and workflows of different schemes and corresponding information systems (process interoperability), and discussing and deciding on the terminology used (semantic interoperability) (▶ see Chapter 5).

1.2 Objective

The core objective of the study is to examine the reasons for and the options available to improve collaboration between social protection administrations and PES, highlighting the added value such collaboration can generate for both institutions, as well as the people they serve. Building on this, the study then explores how digital technologies and improved data exchange can specifically support and reinforce collaboration between the two policy areas. This approach directly aligns with the goals of the Digital Convergence Initiative (DCI), a global initiative for the digital transformation of social protection systems (▶ see Box 4).

9 Based on World Bank (2022)

Box 4. The Digital Convergence Initiative[10]

The Digital Convergence Initiative (DCI) is a global initiative for the digital transformation of social protection systems. Launched in 2021 as part of the USP2030 partnership, the DCI is an open and collaborative platform for governments, development partners, civil society organizations, individual experts and the private sector, united by a shared vision: expanding the coverage of social protection and enhancing its delivery through inclusive, interoperable digital systems.

DCI partners and contributors are committed to creating a harmonized and interoperable digital ecosystem that:

- Enhances social protection outcomes
- Improves the efficiency and transparency of social protection programme delivery
- Promotes accessibility and inclusion
- Reduces inequalities, including gender inequalities
- Improves coordination

The DCI has several workstreams related to the digital transformation of social protection systems including: (1) capacity strengthening, (2) knowledge development and sharing, (3) country technical support and (4) building consensus on and support for the application of standards for common processes, data elements, and automated application programming interfaces (APIs) to enable the interoperability of systems in the social protection delivery chain. This includes, for example, payment systems, identification systems, civil registration and vital statistics (CRVS) systems, and other management information systems (MISs) of public services and social protection programmes.

Recent work under the DCI has also focused on strengthening the interface between social protection and employment support systems. An interoperability standard has been developed to facilitate secure data exchange and coordinated service delivery between social protection systems and employment support systems, including PES. The standard aims to enable more integrated support pathways, allowing individuals receiving social protection benefits to be systematically connected to employment programmes and vulnerable participants in employment programmes to access social protection when needed.[11]

10 https://spdci.org/

11 To access the DCI standards on employment support systems, see: https://spdci.org/resource/employment-support-systems/. This report focuses specifically on linkages between social protection and PES to illustrate concrete use cases. The DCI Social Protection and Employment (SP&E) Interoperability Standards adopt a broader concept of "employment support systems", recognizing that formal PES may not exist in all country contexts. The analysis presented here should, therefore, be understood as one application within a wider range of institutional arrangements covered by the standards developed by the DCI.

The study undertakes a multidimensional assessment of how different forms of collaboration between social protection administrations and PES can be achieved in practice and how this can improve the experience of workers, employers and governments when using and managing related benefits and services. It focuses on analysing existing experiences in low-, middle- and high-income countries, with the aim of informing similar reform processes in other contexts. While the study places particular emphasis on the potential of digital technologies and interoperable systems, it also considers other dimensions of interoperability (▶ see Chapter 5).

The findings of the research will serve policymakers and practitioners of social protection schemes and PES, private employment and recruitment agencies, social partners, civil society and international organizations engaged in the topic, as well as technology solution providers seeking to improve the coherence and streamlining between social protection and PES and their underlying information systems.

The following research questions guided the study:

- What **digital information systems** exist in both areas, what key data elements do they usually capture, and what is their level of readiness for supporting more integrated service delivery?
- What are the **overarching policy and operational benefits** of strengthening collaboration between social protection and PES?
- What **gaps can be addressed** by the actors involved through enhanced collaboration between the two areas, with support from (interoperable) digital systems?
- Which **specific use cases**[12] are driving the exchange of data and information between these two areas?
- How can **different layers of interoperability** – such as legal and institutional frameworks, process harmonization, semantic alignment, and technical infrastructure – be leveraged to overcome concrete operational challenges?
- What **lessons** can be drawn from experiences to date in terms of enabling conditions, challenges faced, and outcomes achieved?

12 In this study, the term "use cases" refers to concrete examples of collaboration between social protection schemes and PES, in which the interoperability of systems or processes enables specific policy or operational objectives to be met.

1.3 Methodology

The study applied a mixed-methods approach, combining desk-based research with qualitative data collection and analysis. An initial literature review was conducted to identify countries where collaboration between social protection institutions and PES is already in place for different purposes, and where such collaboration is at least partly supported by digital information systems and data exchange. This review drew on academic literature, policy reports, institutional publications and international comparative studies.

Building on this review, the study conducted an exploration of country examples to identify concrete and recurring forms of collaboration, which were then formulated as practical use cases illustrating different objectives, data flows and operational models.

Out of a list of pre-identified country cases, three were selected for in-depth analysis based on predefined selection criteria, including:

- Country income group and overall development context[13]
- Geographic diversity
- Policy intentionality or an explicit reform trajectory linking social protection and employment policies
- The existence of digital data exchange or interoperable information systems to support collaboration
- The type of social protection benefits covered in the collaboration (contributory and/or non-contributory)
- The maturity of PES and the range of services provided
- The specific use cases and purposes of collaboration and interoperability
- Inclusion and equity considerations, including the coverage of vulnerable or disadvantaged groups in the collaboration

13 It should be noted that, despite efforts to ensure representation across different income groups, it was not possible to identify a low- or lower-middle-income country where established approaches to linking social protection and PES are in place and underpinned by digital interoperability. Nevertheless, the three selected case studies provide relevant lessons, as all countries have developed and strengthened these systems over time while transitioning to higher income categories.

For each of the selected case studies – Chile, Republic of Korea and Türkiye – document analysis was undertaken, covering relevant laws, regulations, policy documents, strategies and technical reports. This was complemented by key informant interviews with selected policymakers, technical experts and practitioners involved in the design, governance and operation of the respective systems.

Finally, the study employed system and process mapping to document institutional arrangements, service delivery chains, information flows, and points of interaction between social protection and PES systems.

1.4 Study outline

The analytical report is structured as follows:

▶ Chapter 2 defines the two core thematic areas of the study: social protection systems and PES. It provides an overview of their respective objectives, instruments, delivery chains, underlying digital information systems, and key data elements.

▶ Chapter 3 examines the rationale for strengthening collaboration between social protection administrations and PES. It analyses the benefits of enhanced coordination from the perspective of individuals, employers, and governments, and elaborates on the added value of digital interoperability at the institutional level.

▶ Chapter 4 presents practical examples of collaboration in the form of use cases. These illustrate how different forms of institutional cooperation and data exchange between social protection and PES are implemented in practice, distinguishing between social protection-initiated and PES-initiated collaboration.

▶ Chapter 5 introduces the analytical framework used for the in-depth assessment of country case studies. It outlines the key dimensions of interoperability that structure the comparative analysis.

▶ Chapter 6 synthesizes cross-cutting lessons learnt from the country case studies, highlighting enabling conditions, implementation challenges, and transferable insights relevant for policymakers and practitioners.

▶ Chapter 7 concludes the report by drawing overall conclusions.

Throughout the analytical report, cross-references are made to the three country case studies – Chile, the Republic of Korea, and Türkiye – which provide further insights into practical use cases. The full country case studies are presented in Annex ▶ 1, ▶ 2, and ▶ 3.

2 Defining the thematic areas

Both social protection and PES encompass a range of programmes, benefits, and services. The delivery of services in both areas can be described as a delivery chain of certain steps that structure how individuals interact with programmes and services, from outreach and registration to assessment, enrolment, request or application for services or benefits, service delivery, complaints and appeals, and exit.[14] Increasingly, these delivery chains are supported by digital information systems that enable more effective, coordinated, and data-driven service delivery. Both areas require a wide range of individual and household-level data to be managed – from demographic and socio-economic information to employment status, benefit history, and participation in programmes. This data is essential for identifying support needs, verifying eligibility, coordinating services, monitoring outcomes, and improving system performance.

The following sections present an overview of the key features of social protection (▶ Section 2.1) and PES (▶ Section 2.2), including (1) benefits and services typically offered, (2) the digital infrastructure used to facilitate delivery, and (3) data elements usually covered by the respective digital systems.

14 Further details on the social protection delivery chain are available in Lindert et al. (2020), illustrated in ▶ Figure 2 and in ▶ Box 6 on the PES delivery chain.

2.1 Social protection systems

2.1.1 Overview

Social protection, or social security, is defined as the set of public policies and programmes designed to reduce and prevent poverty, vulnerability and social exclusion throughout the lifecycle. As outlined in the ILO Social Security Minimum Standards Convention, 1952 (No. 102), it includes nine main lifecycle risks or contingencies: (1) child and family benefits; (2) maternity protection; (3) unemployment support; (4) employment injury benefits; (5) sickness benefits; (6) health protection (medical care); (7) old-age benefits; (8) invalidity and disability benefits; and (9) survivors' benefits. Social protection systems address all these policy areas through a mix of contributory schemes (social insurance) and non-contributory tax-financed benefits (social assistance) in cash or in kind (▶ see Figure 1) (ILO 2024a).

Contributory schemes are social protection arrangements in which an individuals' entitlement to benefits or services is linked to their contribution. The most common type is statutory social insurance (SI), typically covering formal workers and, in some countries, those who are self-employed. Contributions are generally made by both employers and employees.[15] Some schemes receive partial public subsidies, either to cover deficits or to support specific groups, such as self-employed, rural workers, carers, students, the unemployed, people with disabilities or low-income contributors (ILO and ISSA 2025). There is also a growing focus on extending contributory schemes to workers in the informal economy,[16] as part of broader efforts to facilitate transitions to formal employment (ILO 2021b). Unemployment insurance (UI) is particularly relevant to this report as many countries with such schemes in place require recipients of unemployment benefits to register with PES and, in some cases, PES administer such schemes (Asenjo and Pignatti 2019). Unemployment protection schemes (either social insurance or tax-financed) can be found in 93 of the 194 countries or territories for which data are available. Predominantly, unemployment protection is provided through social insurance mechanisms (87), most frequently coordinated with tax-financed schemes (38), and more rarely as only a social insurance mechanism (16). Six states have tax-financed unemployment benefit schemes (ILO 2024a).

Non-contributory schemes, including, in particular, social assistance (SA), do not require direct contributions from beneficiaries or their employers. They are usually funded through government budget[17] and aim to support individuals or households with specific needs and vulnerabilities, such as children, persons with disabilities, older persons, the unemployed, or those temporarily unable to work (for example, due to

15 Although certain schemes, such as those covering employment injuries, may be solely employer-financed.

16 For more information see the ILO *Policy Resource package: Extending social security to workers in the informal economy and protecting workers in all type of employment:* ▶ https://www.social-protection.org/gimi/ShowProject.action?id=3158.

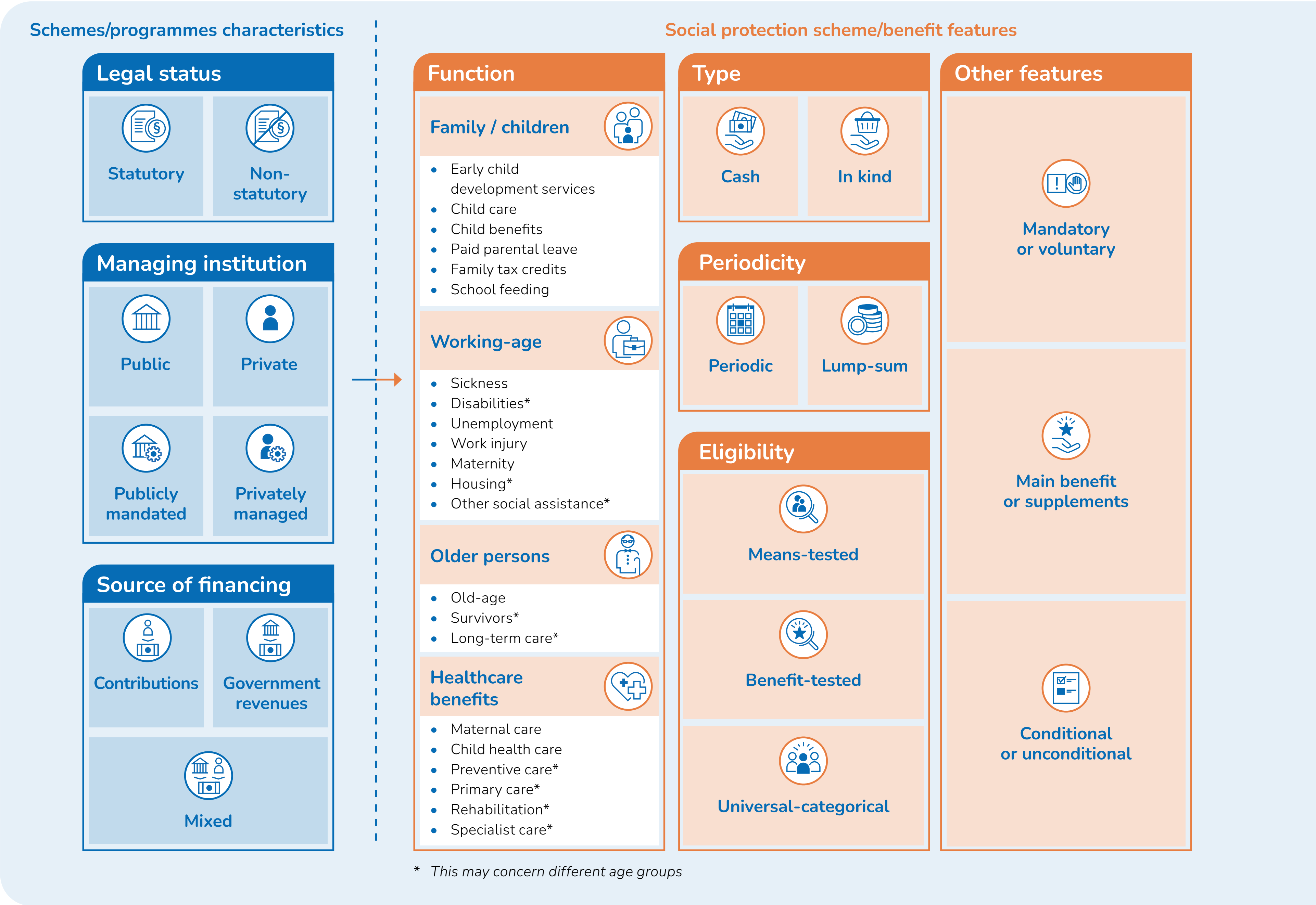
17 With some support from external grants or loans in certain contexts.

illness, pregnancy, or childbirth). The term covers a broad range of schemes, including universal schemes for all residents (such as state-funded national health services), categorical schemes for certain broad groups of the population (such as children, people with severe disabilities or older people) and means-tested schemes (such as social assistance schemes).[18] These categorical schemes can be universal for that population with a specific need or covering those not receiving contributory benefits. Some schemes include behavioural conditions – usually referred to as conditional cash transfers – such as school attendance by children living in the household, participation in health check-ups by pregnant women and children, or engagement in activities aimed at enhancing the employability of individuals with working capacity (McCord 2018). As this report focuses on linking social protection with ALMPs, more specifically with PES, the latter type of conditionality is of particular importance.

18 While the most common form of non-contributory support is cash transfers, benefits may also be provided through in-kind assistance, vouchers, subsidies, or access to free services.

Figure 1. *Overview of characteristics and features of social protection schemes and benefits*

Source: Adapted from ILO, *World Social Protection Report 2024–26*, 2024a

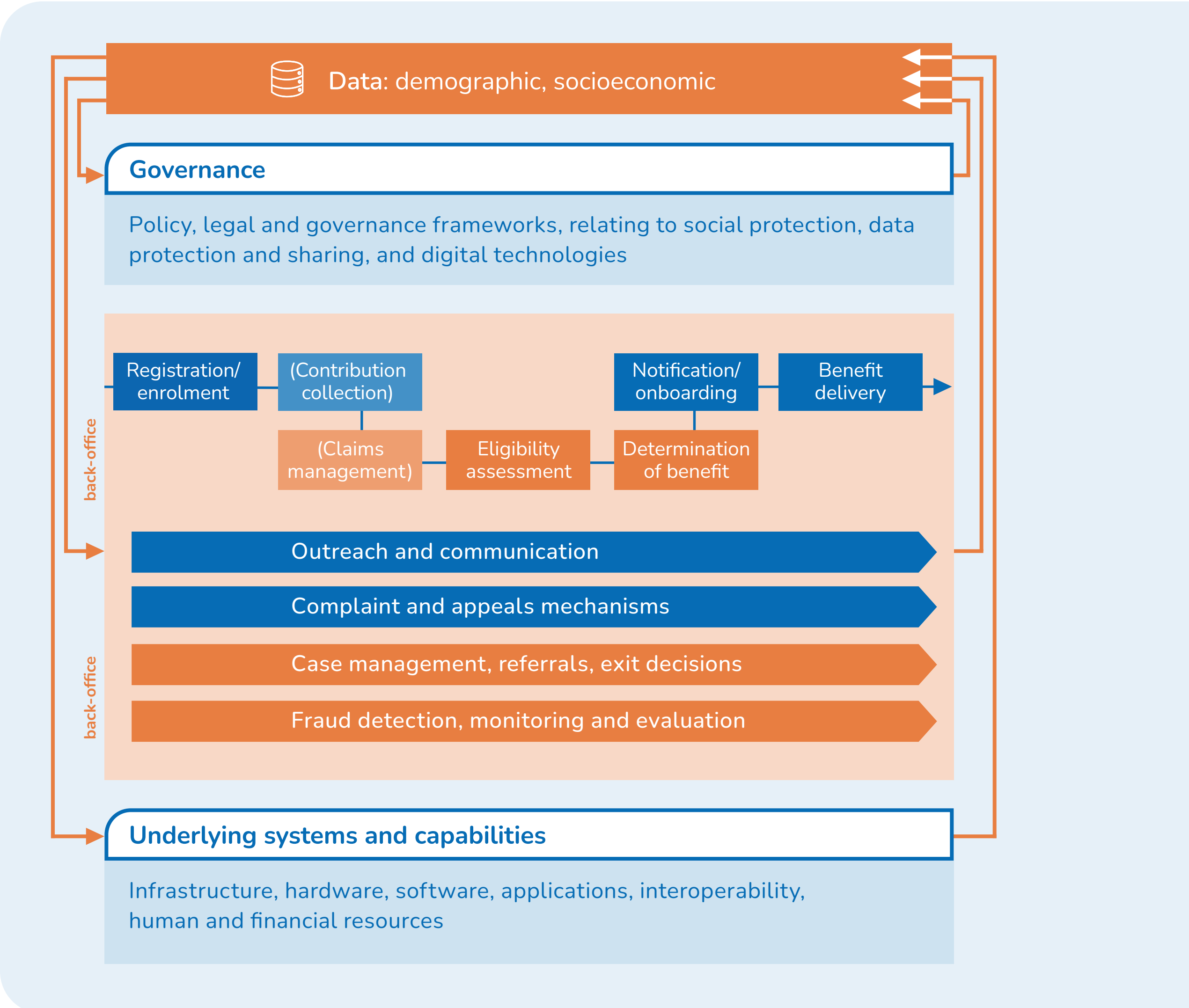


2.1.2 Information systems[19]

The delivery of social protection, both contributory schemes such as social insurance and non-contributory programmes such as social assistance, is increasingly supported by interoperable digital systems and data infrastructure, which help streamline administrative processes, enable better coordination across programmes and institutions, and support the automation of core operational functions, within the social protection system and between different entities across the public administration. Below is a list of the digital systems used in social protection systems that are relevant in the context of this report and which play distinct roles across different phases of the social protection delivery chain outlined in ▶ Figure 2.

Figure 2.
Social protection delivery chain

Source: Authors' own elaboration



Elements shown in brackets are scheme-dependent and may not apply to all social protection schemes.

Programme management information systems (MISs) are key for the management of operations involving contributors and/or beneficiaries of different contributory and non-contributory schemes and programmes. This includes enrolling and exiting members, determining and providing benefits, as well as facilitating the exchange of information externally for

19 For more details see Karippacheril et al. (2024).

coordinated benefit delivery. Programme MISs are programme-specific information systems that contain information on scheme members and support day-to-day operations, including contribution collections (does not apply for non-contributory schemes), enrolment decisions, payment disbursement, case updates, compliance monitoring (in case of conditionalities), participation in accompanying measures (such as livelihood promotion and labour market insertion), and service utilization, ensuring that benefits are delivered efficiently and accurately.

For example, ▶ **Chile's unemployment insurance system, Seguro de Cesantía**, which is administered by the Administradora de Fondos de Cesantía (AFC), is supported by a dedicated programme MIS that manages contribution records, beneficiary enrolment, benefit calculation, and payments, and supports the monitoring of compliance with activation requirements. The underlying data of programme MISs – also sometimes referred to as beneficiary registries – can be consolidated into an integrated beneficiary registry (IBR) that supports coordination across programmes.

Integrated beneficiary registries[20] consolidate data and information on the benefits received by individuals or households across different schemes and programmes. The goal of an IBR is to provide a comprehensive picture of who is receiving which benefit from which programme, both contributory and non-contributory. This allows for improved coordination, system-wide reporting, the reduction of duplication, and more accurate tracking of overall benefit receipt.

▶ **The Integrated Social Assistance System (ISAS) in Türkiye** is primarily a dynamic social registry (see below), as it supports intake, registration, and eligibility assessment through the collection and verification of socio-economic data. At the same time, it fulfils important functions of an IBR by consolidating information on beneficiaries and benefits across social assistance schemes, thereby supporting coordination, monitoring, and payment management at a national scale.

(Dynamic) social registries (dSR) support the outreach, intake and registration phase, as well as the assessment of needs and conditions, and decisions on eligibility and enrolment for social benefits or services. They collect socio-demographic and socio-economic information on the population or a subset thereof, thereby providing a key source of data to identify potential beneficiaries and assess their eligibility for one or more social programmes. There is a trend toward dynamic data collection through on-demand registration, sometimes in combination with periodic census sweeps.[21] Many dSRs are also being enhanced with interoperability features, allowing them to exchange, cross-check and update data continuously by linking with other administrative data systems (for example, CRVS, tax records, social security information systems,

20 To explore technical standards for the interoperability between IBR and broader social protection information systems, visit the DCI website: https://spdci.org/resource/integrated-beneficiary-registry/.

21 For an indepth discussion, see Barca and Hebbar (2020).

employment databases, land and business registries, and education and health information systems). This improves data accuracy, reduces duplication, and supports more responsive programme targeting and enrolment (Guven et al. 2025).

An example of a dynamic social registry is the ▶ **Social Household Registry (Registro Social de Hogares, RSH)** in **Chile**, which consolidates socio-economic household data and is linked to other administrative databases to support eligibility assessment and programme targeting.

For some social protection programmes, **case management information systems (CMISs)**[22] support caseworkers and beneficiaries across all phases of case management interventions. Integrated case management approaches involve identifying the needs of individuals, families, or households to provide an appropriate and sequenced bundle of benefits and services. It also involves intensive follow-up, monitoring, and evaluation. CMISs support processes that require repeated interaction between social workers and the beneficiaries of social programmes by providing a virtual setting for service delivery. These systems are particularly important for social workers in coordinating the delivery of integrated benefit packages, accompanying measures and referrals (including to employment and training measures) and supporting workers in transitioning to suitable employment. Ideally, CMISs are interoperable with programme MISs (see above) or directly integrated with them, enabling caseworkers to draw on existing data and streamline service coordination across programmes.

An example of a digital CMIS is the ▶ **Republic of Korea's Happiness e-Eum**, which supports frontline staff in coordinating assessments, service referrals, follow-up and monitoring across welfare and employment-related interventions for vulnerable households.

Programme inventories organize and systematize key information on existing social protection programmes and entitlements to support service mapping and coordination. They typically include details on public (and in some cases private or non-government organization [NGO]-led) programmes, covering their objectives, target populations, eligibility criteria, benefits and services provided, linkages to broader policy strategies, coverage, budgets, and implementation arrangements.

22 For further details on CMIS visit https://www.case-compass.org/Home/Guide/LearnAboutInformationSystems.

These inventories serve multiple functions. At the policy level, they support social, planning, and financial agencies in adopting a whole-of-government approach by enabling comprehensive oversight and the strategic alignment of social protection interventions across sectors. At the operational level, programme inventories are valuable tools for case managers, helping them refer individuals or households to the most appropriate programmes and services. When designed as public, citizen-facing platforms, programme inventories also enable individuals to access clear and up-to-date information on available programmes and to be guided or referred to the responsible institutions for application or further support.

These referrals can occur not only within the social protection sector, but also across sectors, for example, linking social assistance beneficiaries to labour market insertion programmes or programmes to improve their livelihoods.

An example of a citizen-facing programme inventory is the digital ▶ **One-Stop Social Service Centre (Ventanilla Única Social, VUS)** in **Chile**, which provides individuals and households with structured information on available social protection and, when relevant, employment-related programmes, including eligibility criteria and application pathways.

Box 5. The role of ID systems for data exchange between social protection administrations and PES[23]

International evidence highlights the importance of having a unique identification (ID) for individuals as a prerequisite to exchanging information and data across social protection programmes and to create linkages with other sectors. For linking social protection and employment services, a reliable ID system allows institutions to track beneficiaries consistently across both systems. Best practice is to build on the foundational ID (such as the national ID card), rather than creating new functional IDs, as this ensures interoperability across sectors and facilitates the cross-checking of an applicant's identity and eligibility. In the absence of a functioning foundational ID, a functional ID, such as one generated by a social security institution or social registry, can provide a practical alternative to facilitate interoperability between social protection and PES information systems.

23 Based on Chirchir (2021)

2.1.3 Key data elements

As already indicated, the different digital information systems that support the delivery of social protection collect a wide range of data at the family/household and/or individual level. Data can be self-reported, gathered or documented through enumerators, case or social workers and other administrators, or retrieved from other administrative systems, and are collected throughout the delivery chain. Key data elements can include (Karippacheril et al. 2024):

- **Personal identification data on individuals or heads of household/family**, including name, ID number (or other unique identifier) and household unique identifier, date and place of birth, contact details (address, telephone number, email) and GPS coordinates
- **Demographic information for individuals or some or all family/household members**, including age, sex, civil status, disability or chronic illness, nationality/residency status, ethnicity or language
- **Socioeconomic information**,[24] such as household composition and household relationship, dwelling characteristics (for example, number of rooms, building materials, and access to electricity, water, and sewage), education (for example, literacy, highest degree attained, school assistance, or access to education services), health (illnesses, disabilities, or access to health services), employment status and occupation, income, expenditure, and/or consumption, assets (for example, household durables, vehicles, livestock, and land), food security, and exposure to natural disasters
- **Benefit management datasets**, including enrolled programme beneficiaries at the individual or household level, benefit history, benefits to be delivered (including the schedule of payments or payrolls), reconciliated benefits including level, type, programme, date, and location of delivery, monitoring of compliance with conditionalities or participation in accompanying measures, social insurance contributions and fulfilment of eligibility requirements for claiming benefits, household visits, appeals, grievances, and channel through which benefits and services are delivered

24 The specific types of socioeconomic information collected may vary considerably across countries, schemes and systems. While demographic information is consistently gathered by virtually all programmes, the scope and depth of socioeconomic data are more programme-specific, reflecting differences in objectives, design, and institutional capacity.

2.2 Public employment services

2.2.1 Overview

PES, as part of broader employment promotion policies, are a core labour market institution. Their main objective is to facilitate labour market participation to achieve full employment. As outlined in ILO's Employment Service Convention, 1948 (No. 88), the core services of PES include: (1) providing job-search support; (2) registering vacancies and jobseekers; (3) matching workers to available jobs; (4) facilitating access to vocational guidance, skills training or retraining; (5) promoting the occupational and geographical mobility of workers; (6) collecting and disseminating labour market information; (7) administering unemployment benefits and (8) adapting delivery to the needs of the target populations. For the fulfilment of these functions, the Convention requires the establishment of a national system of employment offices and advisory committees with employer and worker representatives, with cooperation between public employment services and private agencies. PES play a vital role in bridging the gap between labour supply and demand, helping both jobseekers and employers navigate changes in the labour market. It is particularly important in this context to also consider the quality of the work that jobseekers obtain access to through ALMPs and PES. International standards highlight that the job offer needs to be for "suitable" employment, specifying that:

> *In assessing the suitability of employment, account shall be taken, in particular, under prescribed conditions and to an appropriate extent, of the age of unemployed persons, their length of service in their former occupation, their acquired experience, the length of their period of unemployment, the labour market situation, the impact of the employment in question on their personal and family situation and whether the employment is vacant as a direct result of a stoppage of work due to an on-going labour dispute.* (Employment Promotion and Protection against Unemployment Convention 1988, No. 168, Article 21[2])

Globally, at least 94 countries have public employment services, as documented in a global survey conducted by the ILO (ILO 2023b). These data suggest that a substantial majority of countries operate some form of PES, although the structures, capacity and services offered vary widely. Importantly, many low-income countries still lack formal PES or operate only limited employment service functions, leaving significant gaps in labour market intermediation and support. In practice, the services provided for jobseekers[25] include job search support and career counselling, as well as other ALMPs such as training, works schemes, employment subsidies and support for entrepreneurship.[26]

25 In addition, PES provide services to employers, including (1) registration and advertisement of vacancies, (2) needs assessments to tailor services to specific enterprise requirements, (3) job matching and candidate pre-screening, and (4) the provision of labour market information.

26 The classification of services is based on ILO (2023b); ILO (2021c); ILO (2018), and IDB et al. (2015).

Job search support is among the most cost-effective interventions offered by PES. This includes access to online job platforms, vacancy databases, job fairs, and personalized job referrals. Services can be provided through digital self-service or with the help of employment counsellors, and their effectiveness depends on the availability of current job openings and a robust pool of active jobseekers.

Career counselling is central to PES frontline operations. Counselling services are usually delivered by dedicated employment counsellors and provide individualized support, helping clients prepare CVs, develop job search strategies, identify career goals, and access training or job openings. For those facing greater barriers to employment (such as young people entering the labour market for the first time, long-term unemployed, or those re-entering after a career break), more intensive case management is often provided. Career guidance services can complement this by helping jobseekers explore long-term career options and understand labour market trends. PES may offer access to occupational information, tools for identifying transferable skills, and support in developing career plans. This may also include referrals to certification programmes, vocational training, or entrepreneurship support.

Jobseekers are often provided with or referred to other ALMPs that aim to improve employability and job readiness. These may include training, (temporary) public employment/work schemes, employment subsidies, entrepreneurship promotion and/or support for self-employment. While PES may not always manage these programmes directly, they can play a crucial role in identifying eligible participants, coordinating delivery, and following up on outcomes.

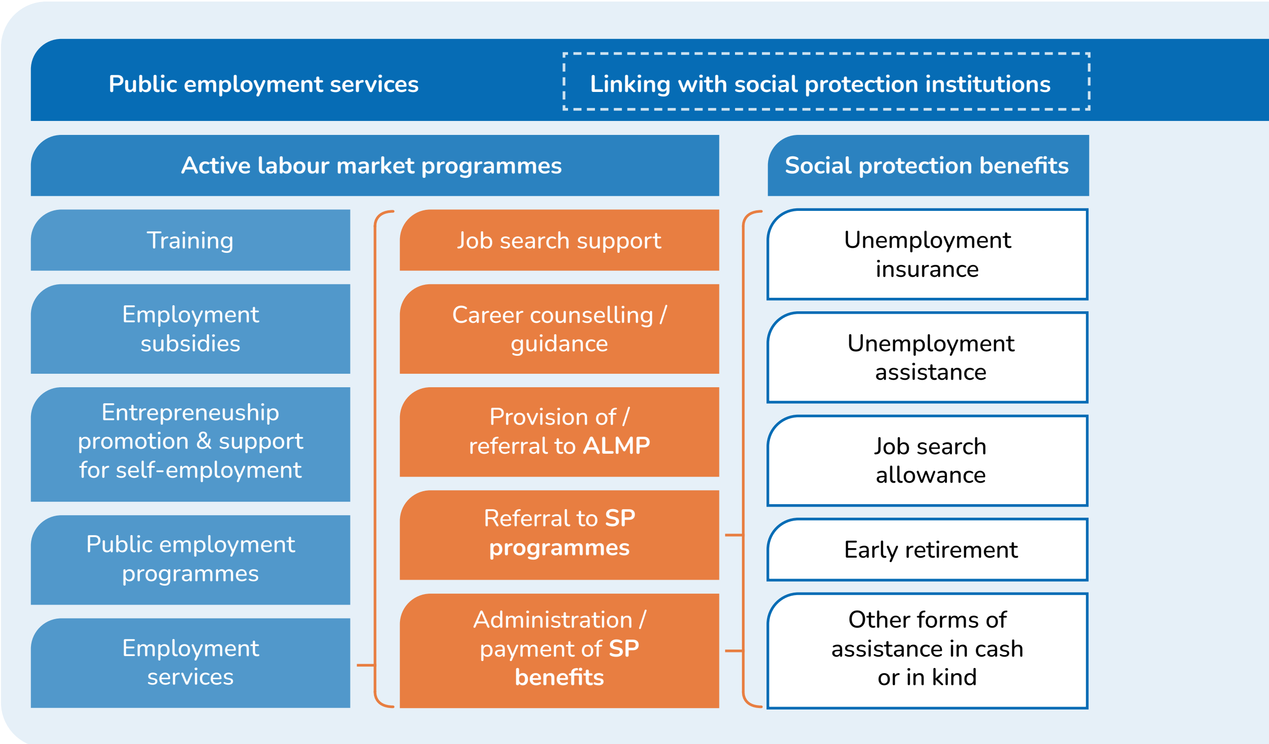
In some countries, PES are also mandated to administer and/or provide unemployment benefits (contributory and/or non-contributory) as well as related subsidies or complementary services. These benefits, classified as social protection instruments (▶ see Section 2.1), play a vital role in supporting jobseekers during periods of unemployment and serve as a key entry point for continued engagement with employment services.

In many countries, including those examined in this report, PES operate alongside private employment agencies, which can complement PES in providing labour market intermediation services such as recruitment, job matching and placement. The Private Employment Agencies Convention, 1997 (No.181) establishes a framework for cooperation between PES and private employment agencies, while ensuring that workers placed through private agencies retain key labour protections. This study focuses on PES because of their role in providing or referring people to social protection schemes. Private employment agencies do not have this mandate. ▶ Figure 3 provides an overview of the potential services offered to jobseekers by PES.

Figure 3. Overview of employment-related benefits and services provided by ALMPs, PES and social protection institutions

Source: Author's elaboration based on Nunn (2024) and ILO (2021c)

Note: Employment services (ES) is one of five ALMP categories. ES functions are typically delivered by public employment services (PES), which sometimes also administer unemployment benefits and refer jobseekers to other ALMP types and to social protection.



Box 6. The PES delivery chain[27]

The services that jobseekers receive from a PES depend on their specific needs. Although PES systems vary widely across countries in terms of design and resources (ILO 2023b; IDB, et al. 2015), their service delivery – much like in social protection (▶ see Figure 2) – can be broadly conceptualized as a coordinated chain of activities. This delivery chain typically includes the following steps (▶ see Figure 4).

Step 1. Outreach: The first step involves proactive outreach to (future) jobseekers (as well as employers) to raise awareness of the services available through the PES. This may include public campaigns, job fairs, and collaboration with employers, schools or universities. Effective outreach is especially critical for reaching disadvantaged and vulnerable groups and the inactive population (people outside of the labour market).

Step 2. Registration and intake: A fundamental entry point into PES support is the formal registration of jobseekers. This enables individuals to access the full suite of PES services and allows the system to collect essential information to manage cases and tailor support. Registration usually takes two forms: in-person, at PES facilities or via customer service modules, or self-registration, usually accompanied by digitally supported tools. These registration mechanisms are typically made available to both employers and

27 Based on Koettl and Tamayo (2021) and Ezzat et al. (2025)

jobseekers. A third approach involves registration through third parties, such as other public agencies, employers and workers' associations, NGOs and private employment agencies that may have entered into collaboration agreements with the PES (ILO 2021c).

Step 3. Assessment, profiling, and segmentation: Once registered, jobseekers usually undergo a needs *assessment* and profiling process to determine the type and intensity of support required. This step involves gathering detailed information through a diagnostic interview on the individual's skills, work history, personal circumstances, and potential barriers to employment or entrepreneurship. *Profiling* may be done through various methods, including structured interviews, questionnaires, or algorithm-based tools[28] that estimate employment prospects. Profiling tools allow PES counsellors to identify both those jobseekers who will easily find a job with limited assistance and those who require more time and intensive support to do so (OECD 2024a). *Segmentation* refers to the classification of jobseekers based on common attributes identified through profiling, enabling services to be tailored and resources allocated more effectively. For instance, segmentation can be done according to employability levels, risk of long-term unemployment, or demographic and structural barriers. Each segment may then receive differentiated levels of support from the PES. ▶ Figure 4 illustrates one possible approach to segmenting jobseekers into different groups.

Step 4. Provision of services: Based on the assessment, profiling and segmentation results, PES provide or refer jobseekers to appropriate services, when available. These may include career guidance, counselling, job search assistance, and participation in ALMPs (▶ see Figure 3). The goal is to enhance employability and support a smooth transition into and within the labour market.

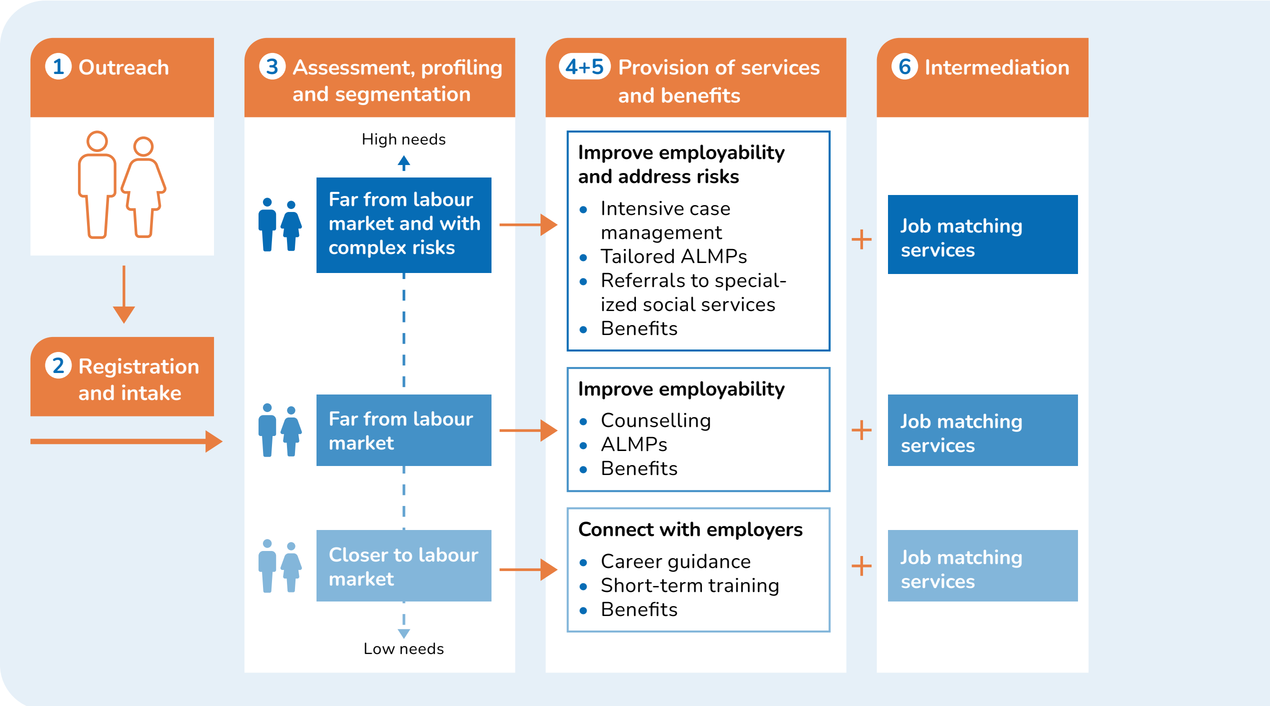
Step 5. Provision of benefits: In systems where unemployment benefits are available, PES might also be mandated to facilitate access to such schemes (▶ see Figure 3).

Step 6. Intermediation, job matching and job placement: Ultimately, PES aim to connect jobseekers with suitable decent jobs and to assist employers in finding skilled candidates. This step may be supported by additional tools that directly connect jobseekers and employers, such as job fairs, direct referrals, or digital matching systems (see below).

28 While such tools can support more efficient service allocation, evidence shows that statistical or algorithmic profiling may also reproduce or amplify existing labour market discrimination and inequalities if not properly designed and monitored. To mitigate such risks, international guidance emphasizes the importance of human oversight of automated decisions, regular audits of algorithms for discriminatory outcomes, and transparency towards jobseekers regarding how profiling results influence service allocation (Berg and Johnston 2025).

Figure 4.
The PES delivery chain

Source: Author's elaboration based on Koettl and Tamayo (2021)



2.2.2 Information systems

As with social protection, the delivery of PES is increasingly supported by digital information systems. Across different country contexts, a variety of digital, often interconnected, tools are used to support the various phases of the PES delivery chain (as outlined in ▶ Box 6), including jobseeker registration systems, digital case management systems and job matching systems.

Jobseeker registration systems serve as central databases that store and manage information on individuals who register with PES, either in-person at the PES or via an online user interface. These databases typically contain personal information such as education, work history, skills, and job preferences. In some countries, these systems also include (automated) profiling tools that categorize jobseekers according to their employability, such as their distance from the labour market or their need for training. They allow PES to proactively identify newly-registered jobseekers who may need additional intensive support to (re-)enter work, enabling PES to target resources to where they are needed most. In addition, the early identification of the most vulnerable or at risk jobseekers is key to reducing their likelihood of long-term unemployment (OECD 2024a).

An example of a jobseeker registration system is the ▶ **National Employment Platform (Bolsa Nacional de Empleo, BNE)** in **Chile**, which allows jobseekers to register online, create and manage their profiles, and store information on education, work experience, skills and job preferences, while providing the PES with a national database to support job matching and referrals.

Public vacancy databases are platforms, typically run by PES, where employers post job vacancies and outline their workforce needs. They include details such as job titles, descriptions, skills, wages, contract types, and locations. In some cases, these systems also store employer profiles, including sector information, company size, and hiring patterns. Such databases are also used to identify sectors that face acute labour shortages and to direct jobseekers towards these sectors (OECD 2020). In some countries, especially middle- and high-income contexts, there is a legal obligation for employers to register job vacancies in such databases (IDB et al. 2015).

The ▶ BNE in Chile provides a practical example of a vacancy database. It hosts a public repository of job vacancies and offers employers various services, such as vacancy publication, application management, candidate follow-up, and access to the history of previously-posted vacancies.

Job-matching systems comprise the software, user interfaces, and data infrastructure that facilitate the matching of jobseekers with vacancies. Matching can take place directly through digital platforms or with the support of job counsellors in PES-operated systems. More advanced platforms may incorporate artificial intelligence to improve matching accuracy, infer skills, and offer career guidance suggestions. Job matching systems are typically integrated into PES core information systems that support day-to-day service delivery. They may draw on the outputs of labour market information systems (LMISs) (▶ see Box 7) to inform or refine matching algorithms in line with local labour market conditions, thereby improving their effectiveness (OECD 2024a; Ezzat et al. 2025).

An example of a job matching system is the ▶ Republic of Korea's Employment24, which incorporates a module that connects registered jobseekers and employers by matching skills, qualifications and job preferences with vacancy requirements. It provides automated job recommendations for jobseekers and candidate search and shortlisting tools for employers, and increasingly uses data analytics to improve matching quality.

In some contexts, digital case management systems[29] are used by PES to track a jobseeker's full journey through PES services. Case workers can record profiling results, counselling sessions, training referrals, job applications, benefit status, and employment outcomes. These systems allow PES to monitor individual progress and support the design of personalized action plans. They can also help to ensure accountability and performance measurement across PES operations.

29 For further details on CMIS visit https://www.case-compass.org/Home/Guide/LearnAboutInformationSystems.

An example of a digital case management system is the ▶ Republic of Korea's Work Plus, which is used by Employment Welfare Plus Centres (EWPCs) to record profiling results, counselling sessions, referrals to training and other programmes, benefit status, and employment outcomes, thereby supporting personalized action plans, coordinated follow-up, and performance monitoring across employment and welfare services.

Box 7. Labour market information systems[30]

A labour market information system is a digitally-enabled system that systematically collects and analyses labour market data to generate labour market intelligence. LMIS typically include data collection tools, repositories, and analytical components used for producing reports and dashboards. They support a range of descriptive, predictive and prescriptive analytics, informing decision-making and policy development.

Unlike job matching systems, which rely on individual-level data for placement and service delivery, LMIS focus on aggregated data to capture and analyse labour market dynamics. As such, LMIS require robust institutional arrangements for data access, data protection, and data governance. They may integrate with job matching systems to enhance the functioning of PES.

2.2.3 Key data elements

PES systems collect a wide range of data at the individual level. This information is typically gathered when individuals register as jobseekers, during profiling, throughout ongoing case management, or when claiming unemployment-related benefits. Key data elements include:[31]

- Personal identification data including name, ID number (or other unique identifier), date and place of birth, contact details (address, telephone number, email)
- Demographic information, including age, sex, civil status, disability or chronic illness, nationality/residency status, ethnicity or language
- Labour market profile, including level and type of education, skills, qualifications, work experience, employment history, previous wage, current and past unemployment duration

30 Based on Ezzat et al. (2025)

31 Based on ILO (2018) and Duell and de Moraes (2021)

- **Specific data collected for needs assessment and profiling**, including motivation and ability to engage in job search, observations on behaviour, professional aspirations and objectives, job search intentions, language barriers, health limitations (including mental health issues), care responsibilities, constraints related to transportation, lack of Internet access or mobile phone
- **Case management information**, documentation of counselling and career guidance support provided, training participation, participation in other ALMP measures, job referrals, agreed next steps, compliance with agreed steps and activation measures, applications sent, outcomes (job placement or rejection)
- **Benefit coordination**, in systems integrated with unemployment benefits, claim status, amount of benefits and benefit periods
- **Employer data, such as vacancies**, job requirements, recruitment history, participation in active labour market measures, and past interactions with PES

3 Benefits of collaboration and (digital) interoperability

Enhanced collaboration between social protection administrations and PES, supported by digital interoperability, can transform fragmented support into a system that combines income security with labour market integration measures in a coordinated (or even integrated) manner. This chapter elaborates on the value of collaboration for workers, employers, and governments, and highlights the specific advantages of digital interoperability and data-sharing between both systems.

3.1 Collaboration – Benefits to different users

Improved collaboration between social protection and employment services through interoperability, including with the support of digital technologies, offers substantial benefits at the individual, enterprise, and national levels (summarized in ▶ Table 1).

For workers and jobseekers, it enhances support by combining income security with labour market measures. When access to ALMPs through PES is linked to social protection benefits, workers are more likely to participate in and complete training, reskilling, and job placement programmes – thereby improving their employability and long-term labour market prospects.[32] By linking benefits to labour market support, employment outcomes might also improve as individuals are better supported in

32 Certain design features play a critical role in increasing the likelihood of positive outcomes. These include clear conditions of participation and selection mechanisms, adequate transfer amounts to sustain engagement, and ensuring that the programme's active components are well aligned with participants' needs and capacities (for example, training that builds on existing skills or self-employment support for those with prior business experience). Equally important is sufficient institutional capacity to promote take-up, ensure compliance, and support effective programme integration (Nunn 2024).

their transition to work and, importantly, to formal and decent employment, including through targeted support services and the screening of job vacancies. Moreover, workers or jobseekers who engage with PES often lack information about their social protection entitlements. Integrated information and referral systems increase awareness and access to social protection, helping to prevent poverty and social exclusion. The coordinated delivery of both employment services and social protection also reduces the administrative burden on individuals. By streamlining access through shared registration processes and interoperable systems, jobseekers no longer need to navigate multiple offices to register separately for each service or benefit and submit the same documents repeatedly (Ramkissoon 2016). Ultimately, the combined provision of income support and employment services helps workers and families better withstand economic or lifecycle shocks. This comprehensive form of support strengthens household resilience and contributes to long-term wellbeing.

A more effective linkage between social protection and PES can also benefit **employers**. Fast reintegration of jobseekers into the labour market through activation measures shortens periods of unemployment and job matching services can reduce hiring costs for employers, making it easier and less costly for enterprises to access skilled and motivated workers. In addition, combining income support and training programmes helps align skills supply with labour market demand (GIZ 2022; ILO 2023a). When PES systems, linked with temporary social protection benefits, enable jobseekers to participate in relevant training or reskilling opportunities, enterprises are more likely to find candidates with the right qualifications and competencies, reducing hiring gaps and supporting productivity.[33] At the same time, labour market reintegration does not automatically eliminate poverty if the employment obtained is informal, precarious or inadequately remunerated. In many low- and middle-income countries with high levels of informality, activation measures need to be accompanied by policies promoting access to decent work to avoid the risk of working poverty.

From a **government perspective**, improved collaboration brings efficiency gains and cost savings. Aligned processes, shared access points and interoperable (digital) systems have the potential to reduce duplication in registration and case management, thereby lowering administrative costs. This enables more strategic allocation of public resources (Ramkissoon 2016; Bergthaller and Ebken 2017). Quicker transitions into decent work through labour market integration measures can help to increase the population covered by social insurance and broaden the tax base, thereby creating the fiscal space needed to further extend the coverage and adequacy of non-contributory social protection. At the macroeconomic level, coordinated unemployment protection and ALMPs can help maintain household consumption and boost economic productivity, particularly during economic downturns (ILO 2021a). Moreover, collaboration between the two areas has the potential to enhance access to decent work and the social inclusion of marginalized groups, such as workers (including youth) from low-income households, persons with disabilities, or migrants and refugees. This leads to reduced inequality and social tensions, and fosters more cohesive and stable communities.

33 ILO Convention No. 168 makes reference to the notion of suitable employment and acknowledges the right of beneficiaries to refuse a job offer if it is deemed unsuitable, while leaving the determination of such cases and their frequency to national legislation.

Coordinated and streamlined approaches also support just transitions, helping individuals to navigate key life and work transitions, such as the move from school to work, returning after caregiving, or adapting to structural changes like digitalization, as well as the shift to environmentally sustainable economies (GIZ 2022; ILO 2023b).

Table 1. Benefits of collaboration between social protection administrations and PES

Jobseekers / social protection beneficiaries	Employers	Governments
Short-term benefits		
• Increased awareness of services and benefits available • Improved accessibility and lower costs through simplified procedures and administrative processes • Increased ability to participate in training, re-skilling, and job placement and improved employability	• Improved access to potential workers (activation effect) • Reduced hiring costs • Better aligned skills supply with labour market demand → employers find better-qualified candidates	• Efficiency gains and cost savings through aligned processes, shared access points, interoperable systems • More strategic allocation of public resources
Medium- to long-term benefits		
• Transitions into formal and decent employment supported • Resilience and long-term wellbeing (individual and household level) strengthened	• Reduced hiring gaps, improved productivity, and enterprise growth supported	• Broader social insurance coverage and stronger tax base • Aggregate demand stabilized and economic productivity boosted, especially in downturns • Enhanced social inclusion of marginalized groups, fostering social cohesion • Just transitions supported during times of structural transformations of the economy

3.2 Digital interoperability – Benefits from an institutional perspective

Digital interoperability between social protection and PES information systems enables both areas to deliver more effective, efficient, and human-centred services. By ensuring that relevant data can be shared securely and in real time, interoperability creates the basis for more coherent interventions and reduces fragmentation in service delivery. ▶ Figure 5 illustrates the key data points captured by each area's information systems (based on elaborations in ▶ Sections 2.1 and ▶ 2.2), along with the specific benefits that interoperability can generate for social protection administrations and PES.

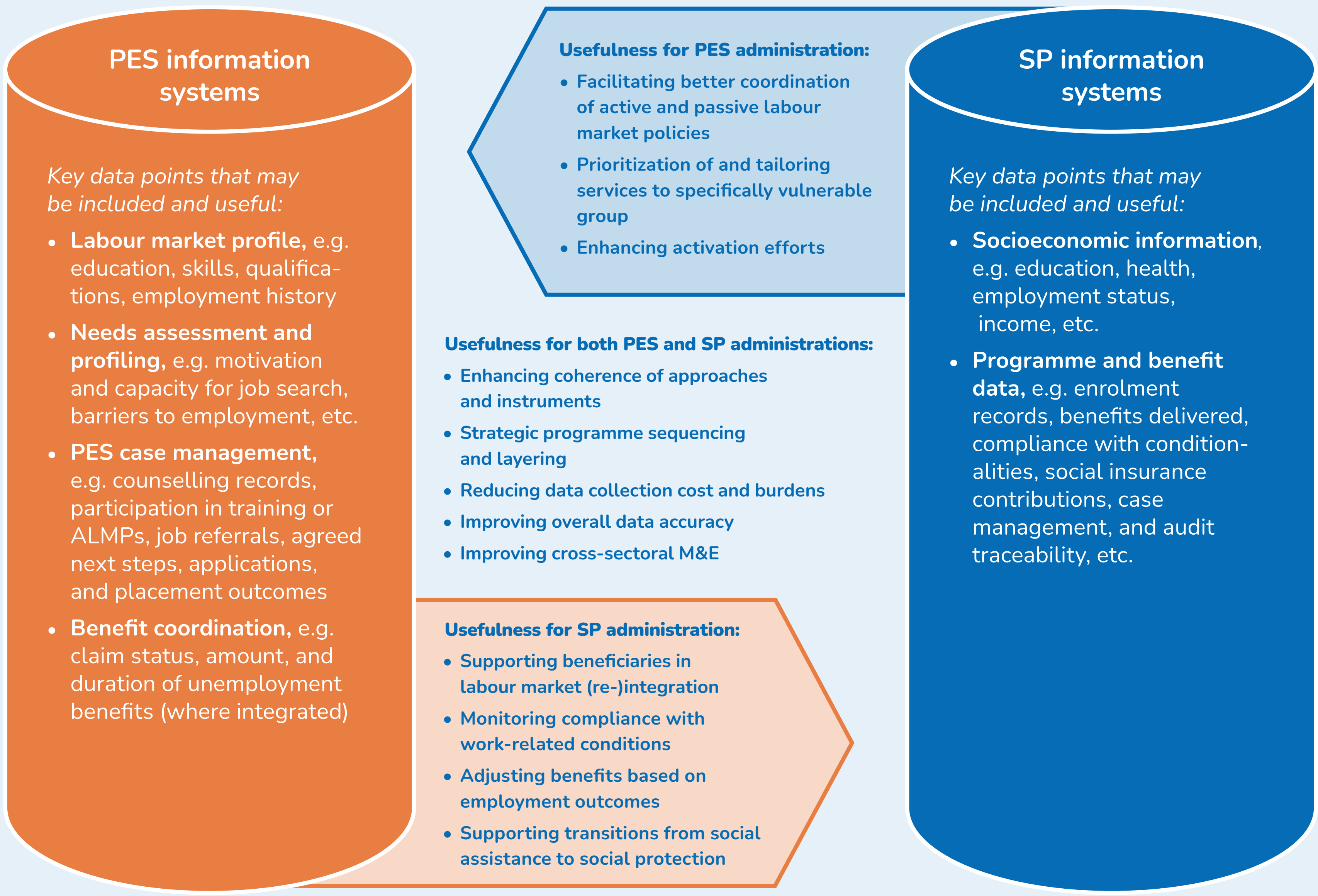
For *social protection administrations*, interoperable systems provide a strong foundation to support beneficiaries' (re-)integration into the labour market. Access to PES data makes it easier to monitor compliance with work-related conditions, adjust benefits based on employment outcomes, and encourage active participation in training or job search activities. In the longer term, these linkages help individuals graduate from social assistance and transition into contributory social protection, reducing dependency and fostering resilience.

For *PES*, interoperability facilitates closer coordination between ALMPs, income protection during periods of unemployment, and participation in training and re-skilling programmes. This contributes to better overall outcomes. Data from social protection systems allows PES to identify prospective clients, prioritize service delivery to specific individuals with high support needs, and tailor ALMPs, such as trainings, employment subsidies or public employment programmes, more effectively. This can help ensure that PES interventions are inclusive of groups that might otherwise remain invisible to employment services, particularly those who face significant barriers to entering the formal labour market.

At the same time, *both social protection* and *PES administrations* benefit from shared efficiencies and improved programme design. Interoperable systems enhance coordination and cooperation across approaches and instruments, enable strategic sequencing and layering of programmes, reduce duplication of data collection, and improve the overall accuracy of information. They also provide a strong base for cross-sectoral monitoring and evaluation, supporting more integrated policymaking and the effective use of public resources.

Figure 5.
Visualizing links between social protection and PES information systems

Source: Author's elaboration based on GIZ and FAO (2023)



4 Practical examples of collaboration – use cases

This chapter presents a set of practical examples of collaboration (so-called use cases) that demonstrate how (digital) interoperability between social protection (social insurance and social assistance) and PES (information) serve a variety of policy and operational objectives in different countries. Each example outlines the rationale for, and the benefits of, collaboration, as well as typical data flows. All use cases draw on country experiences, mostly from the three case studies presented in the ▶ annexes, to illustrate effective implementation and good practices (see also country boxes).

The use cases are grouped by institutional entry points: firstly, *social protection-initiated collaboration* where social assistance or social insurance institutions trigger collaboration, typically to strengthen labour market (re-)insertion, compliance monitoring, or benefit administration and, secondly, *PES-initiated collaboration* where PES takes the lead in identifying needs or opportunities and seeks input, verification, or support from social protection institutions.

4.1 Social protection-initiated collaboration

In the following set of use cases, collaboration is initiated by social protection institutions (whether social assistance or social insurance).

4.1.1 Supporting social protection beneficiaries to find employment

Beneficiaries of social assistance who are of working age and able to participate in the labour market or recipients of contributory unemployment benefits can be supported through proactive cooperation between the administrations responsible for these social protection programmes and the PES. Support can take various forms, such as referrals to PES or relevant active labour market measures when available, automated notifications or eligibility checks within digital systems, automatic registration with PES, or integrated case management approaches. The need for data exchange varies depending on the specific form of support provided: simple referrals may require only basic access to PES data, while automatic registration or integrated case management demand advanced, seamless data exchange.

Potential data flows:

- **SA/UI administration → PES:** beneficiary lists (with unique ID) or individual requests (via unique ID), demographic information, results of employability assessments in the case of SA (if available), claim status in the case of UI (for example, whether registered and contributions have been paid), benefit duration
- **PES → SA/UI administration:** updates on registration, labour market profile, counselling, guidance and training participation, participation in other active labour market measures, and job placement outcomes (re-employment notifications)

In ▶ **Türkiye**, employable beneficiaries of social assistance are identified by local **Social Assistance and Solidarity Foundations (SASFs)** and, upon consent, referred to the **Turkish Employment Agency (Türkiye İş Kurumu, İŞKUR)** through ISAS. Beneficiary records are transferred digitally. Participation and compliance with activation measures are monitored and fed back to ISAS to support benefit adjustments and incentives for transition into formal employment.

In the ▶ **Republic of Korea**, beneficiaries of unemployment benefits or social assistance can access employment support through the **EWPCs**, which bring together employment and welfare services. Individuals are registered with employment offices and supported through digitally-enabled case management. This allows counsellors to coordinate job search assistance, training referrals and income support within a single service pathway.

4.1.2 Supporting youth from families receiving SA in school-to-work transitions

Facilitating successful transitions from education to employment for youth from families receiving social assistance is critical to breaking cycles of intergenerational poverty. One feasible approach is to connect these young individuals with PES and technical and vocational education and training (TVET) institutes for targeted vocational training programmes and early labour market integration and to combine training with income support. This may take the form of scholarships or allowances for participants from low-income households, voucher programmes to cover transport or accommodation during training, or government subsidies for participants' social security contributions. Facilitating school-to-work transitions has a significant impact on sustained poverty reduction and enhanced long-term social inclusion (ILO 2020).

Potential data flows:

- SA administration → PES/TVET: household composition and income, list of youth from beneficiary families (with unique ID) or individual request (via unique ID), information on education background, relevant demographic information (for example, age, sex, disability status, etc.)
- PES/TVET → SA administration: training enrolment, completion, job placement records

Several countries have implemented targeted programmes to support the transition of young people from households receiving social assistance from school to work.

In **Jordan**, the **National Aid Fund** implements a dedicated programme that aims to train youth from beneficiary households who are able to work, in preparation for their integration into the labour market. The approach finances participation in regular TVET programmes delivered by competent and accredited institutions, enabling beneficiaries to acquire skills needed to obtain suitable employment and improve household economic conditions. During the training period, participants receive a monthly lump-sum allowance for up to six months.[34]

34 For more details see the website of the National Aid Fund (NAF): https://naf.gov.jo/EN/ListDetails/Fund_Programs/15/5.

In **Cambodia**, the government launched the **TVET 1.5 Million programme** in 2023 to support young people from poor and disadvantaged households, usually identified through IDPoor,[35] in their transition to employment. The programme provides free four-month vocational training in priority occupational fields, combined with a monthly allowance to reduce financial barriers to participation. Training is delivered across 38 specializations in 10 priority sectors, including construction, electrical and electronic trades, general and automotive mechanics, tourism, agriculture, and agro-industry, with a strong emphasis on both technical skills and labour-market-relevant soft skills. The programme is led by the Directorate General of TVET within the Ministry of Labour and Vocational Training. While the National Employment Agency (NEA) is expected to play an enhanced role in job placement for trained youth in the future, this function is still under development.

No practical examples could be identified in which interoperability between PES and social protection information systems systematically supports this use case.

4.1.3 Monitoring compliance with activation requirements

In international labour standards, activation measures and compliance monitoring are expected to be implemented within a rights-based framework that protects unemployed persons. The Employment Promotion and Protection against Unemployment Convention, 1988 (No. 168) and its accompanying Recommendation, 1988 (N.176) provides that beneficiaries retain the right to refuse employment that does not meet the criteria of suitable employment, as defined in national law and practice, including considerations related to wages, working conditions, occupational safety and healthy, skills match, reasonable commuting distance and compatibility with family responsibilities. The Convention also emphasizes that any sanctions for non-compliance should be proportionate and subject to effective appeal procedures, and that activation requirements should take into account individual circumstances such as health conditions, care responsibilities and barriers to labour market participation.

The questions of conditioning social assistance benefits on job search requirements, how strictly such conditions should be enforced, and the severity of sanctions for non-compliance remain the subject of ongoing policy debate. It is beyond the scope of this study to assess the merits of these approaches. Rather, the focus here is on the institutional and technical arrangements that may support their implementation where the scheme design includes such requirements. Interoperability and data exchange between social protection and PES information systems can facilitate the monitoring of participation requirements and employment outcomes.

35 IDPoor is Cambodia's national poverty identification mechanism used to identify poor and at-risk households for access to government cash transfers and other social assistance programmes. Identified households are registered in a centralized electronic database and classified into different categories (Birdsall 2022).

In some countries, especially in Organisation for Economic Co-operation and Development (OECD) countries, active participation in labour market measures and continuous engagement with PES is a condition for receiving unemployment or social assistance benefits. These requirements aim to support jobseekers in their search for work at an early stage, and encourage them to explore a wider range of potential employment opportunities to facilitate a return to self-sufficiency. In addition, matching and referring jobseekers to suitable vacancies has been shown to contribute to higher re-employment rates (Immervoll and Knotz 2018).

PES and relevant social protection agencies need to closely coordinate to monitor the compliance of beneficiaries with job-search and participation requirements, as well as their employment status. Timely, continuous and accurate information sharing between PES and social protection authorities, as well as other institutions like labour administration and the tax office, is essential to verify attendance in programmes, job-seeking efforts, and engagement with services.

Potential data flows:

- **SA/UI administration → PES:** request for compliance verification (via unique ID), information on benefit adjustments
- **PES → SA/UI administration:** attendance records (registration with PES, participation in counselling and guidance, training, or other active labour market measures), job search activity, notifications of non-compliance, re-employment updates

In ▶ **Türkiye**, compliance with activation requirements is legally enforced for employable social assistance beneficiaries referred to the PES (**İŞKUR**). Participation in job interviews, vocational training and other ALMPs is monitored through structured digital information exchange between İŞKUR and **ISAS**. If a beneficiary refuses a suitable job offer or activation measure repeatedly without valid justification, this information is recorded in the PES system and transmitted to the social assistance administration, triggering the suspension of benefits.

In ▶ **Chile**, compliance monitoring is an integral part of the unemployment insurance system, particularly for beneficiaries drawing on the **Solidarity Unemployment Fund (Fondo de Cesantía Solidario, FCS)**. Continued benefit receipt requires ongoing engagement with employment services through the **BNE**. Compliance is monitored through digitally recorded participation and follow-up information.

In the ▶ **Republic of Korea,** compliance monitoring applies across both contributory and non-contributory schemes. For recipients of unemployment benefits under the **Employment Insurance System (EIS)**, continued entitlement is conditional on registration with PES and active engagement in job search, counselling and placement activities. Compliance is monitored through an integrated PES and employment insurance system called **Employment24**, allowing authorities to verify participation. Similarly, beneficiaries of non-contributory social welfare programmes who are assessed as able to work are subject to activation requirements. Digitally-supported case management and automated data exchange enables the monitoring of participation in counselling, training and job-search activities.

4.1.4 Employment status verification

In a number of country contexts, social protection institutions actively verify whether beneficiaries have entered employment in order to ensure that benefit entitlements reflect current labour market status. Employment status verification can take place at different stages of the programme delivery cycle, including during benefit receipt, following referrals to PES, or as part of ongoing case management. Rather than relying exclusively on self-declaration, social protection institutions draw on information generated through PES operations and related administrative systems to confirm (re-)employment.

Effective verification requires the timely and reliable exchange of information between social protection institutions and PES, and in some cases with social insurance administrations. PES data on job placement, employer-reported hiring, or verified re-employment events are used to confirm changes in labour market status and to trigger benefit adjustment, suspension or termination, in line with programme rules. Depending on system maturity, data exchange may occur through automated notifications, event-based data transfers or periodic cross-checks.

Potential data flows:

- **SA/UI administration → PES:** request for verification of employment status (via unique ID), information on benefit adjustments
- **PES → SA/UI administration:** employment notifications, job placement records, employer-reported hiring information, updates on labour market status

In ▶ **Türkiye**, employment outcomes recorded by the PES (**İŞKUR**) following referrals or job placements are transmitted to **ISAS**. This information is used not only to verify whether social assistance beneficiaries have entered formal employment and to support timely benefit exit or adjustment, but also to determine eligibility for temporary in-work benefits provided for a defined period after re-employment. These additional benefits are designed to support sustainable labour market reintegration and to mitigate the risk of rapid return to social assistance

In the ▶ **Republic of Korea**, employment status verification for recipients of the Job-Seeking Allowance is supported by digital linkages between **Employment24** and the **Korea Workers' Compensation & Welfare Service (COMWEL).** When a beneficiary starts a new job, the employer reports the employment insurance registration to COMWEL, which automatically transmits this information to Employment24 and flags the individual as re-employed. The beneficiary is additionally required to submit a re-employment report within two months, either online or in person.

4.1.5 Integration of information provided by PES platforms into social protection information systems

PES platforms generate labour-market data, such as employment status, job-search activity and participation in active labour market programmes, which can be used in different ways by social registries and integrated beneficiary registries:

- When PES data are linked to social registries, they strengthen needs assessment and eligibility determination by incorporating up-to-date information on employment and income conditions.
- When PES data are linked to integrated beneficiary registries, they support a system-wide view of benefit receipt by making it possible to identify who receives which services and benefits from which programme.

In ▶ **Chile**, information on beneficiaries of employment subsidies and other ALMPs administered by the **National Training and Employment Service (Servicio Nacional de Capacitación y Empleo, SENCE)** is regularly fed into the **Social Information Registry (Registro de Información Social, RIS)**, which also functions as an integrated beneficiary registry. This supports the consolidation of administrative data across programmes, enables consistency and validation checks, and allows monitoring of coverage patterns across different population groups, thereby strengthening system-wide oversight and coordination.

4.2 PES-initiated collaboration

In the following set of use cases, collaboration is initiated by PES.

4.2.1 Supporting PES users to access social protection benefits

PES staff may be involved in the identification of jobseekers eligible for social assistance schemes and/or actively support them in accessing benefits. Identifying and assisting jobseekers helps ensure that individuals maintain a minimum standard of living while engaging in job search efforts.

The need for data exchange varies depending on the specific form of support provided. In its simplest form, this can involve manual referrals, where PES staff guide beneficiaries toward relevant services using programme inventories, if available. At a more advanced level, interoperability may enable real-time eligibility checks, automatic referrals, or shared case management between PES and social assistance agencies. Even in contexts where PES administers unemployment insurance or social assistance directly, interoperability within the same institution between different services remains important, as social protection benefits and employment services may be managed by separate units or information systems. In addition, the financial management often remains the responsibility of the social security institutions, thus requiring interoperability between the fund and the PES.

Potential data flows:

- **PES → SA administration:** unique ID of unemployed person, demographic information, unemployment status, income and earning records, other indicators of social vulnerability (if available)
- **SA administration → PES:** data of programme inventories, eligibility confirmation, benefit enrolment status

In the ▶ **Republic of Korea, EWPCs** bring together employment services and social welfare functions at the frontline. Counsellors identify jobseekers who may be eligible for social assistance or employment-related income support and actively support them in accessing these benefits. Through digitally supported case management, staff transmit basic identification and labour-market status information to social welfare offices and receive confirmation of enrolment, allowing beneficiaries to maintain income support while engaging in job search, counselling or training.

4.2.2 Subsidies to support SA/UI beneficiaries/individuals from poor families and the firms that hire them

Employment subsidies, financed through government budgets, are a common ALMP instrument, often managed by PES, designed to incentivize employers to hire disadvantaged jobseekers (▶ see Section 2.2). When targeted at employers recruiting beneficiaries of social assistance or unemployment benefits, these subsidies can play a key role in supporting the labour market (re-)integration of people in vulnerable situations, preventing long-term unemployment and reducing the financial burden on social assistance and unemployment systems.

In some countries, the targeting of social assistance beneficiaries is currently practised through the setting of quotas, for example, requiring that a certain share of employment subsidy participants be drawn from specific social assistance programmes, including programmes for people with disabilities. In some contexts, subsidies may also be provided directly to vulnerable individuals taking up formal employment, thereby reducing barriers to labour market participation.

Effective collaboration requires the timely sharing of information between PES and social protection agencies to verify beneficiary/claimant or poverty status, confirm eligibility for subsidies, monitor participation and subsidy duration, and track transitions from subsidized employment into unsubsidized work. While real-time integration can enhance monitoring, periodic data sharing is often sufficient to achieve the objective.

Potential data flows:

- **PES → SA/UI administration:** request to confirm SA/UI beneficiary status, request for status in social registry (via unique ID)
- **SA/UI administration → PES:** confirmation of status, eligibility validation, benefit duration, and status updates
- **PES ↔ employers:** subsidy approval, employment duration, retention reporting

In ▶ **Chile**, employment subsidies administered by the National Training and Employment Service, **SENCE**, explicitly target individuals from low-income households. To verify eligibility, SENCE retrieves applicants' socio-economic status digitally from the social registry **RSH**.

In ▶ **Türkiye, İŞKUR** administers employment incentives for employers hiring social assistance beneficiaries. Eligibility verification relies on digital checks with **ISAS** and social insurance records to confirm beneficiary status and duration of entitlement.

4.2.3 Monitoring employer compliance with social insurance obligations:

In contexts where employers receive employment incentives from the state, such as wage subsidies or hiring support, PES and social protection agencies can play a role in monitoring employer compliance with associated obligations, including the proper registration of workers with social insurance schemes. This approach helps ensure that employers fulfil their legal responsibilities regarding social insurance contributions, protecting workers' entitlements to health, pensions, maternity, sickness, occupational injury, unemployment benefits and, in certain cases, child benefits. It also enhances accountability, discourages informal employment practices, and improves the overall integrity of employment-related support programmes.

The need for interoperability varies depending on the monitoring approach. In some cases, it may be sufficient to conduct periodic cross-checks between PES subsidy records and social insurance contribution data. In more advanced systems, real-time interoperability allows for the automated verification of employer obligations, the flagging of inconsistencies, and coordinated follow-up actions, notably with labour inspection in cases of suspected non-compliance.

Potential data flows:

- **PES → SI administrations:** information on employers participating in subsidy programmes, records of subsidized hires
- **SI administrations → PES:** contribution data, registration of workers, compliance status, flags of inconsistencies

In ▶ **Chile**, employer compliance with social insurance obligations is monitored in the context of employment subsidies. Information on subsidized hires and employment duration recorded by **SENCE** is cross-checked with social insurance contribution and registration data. This enables authorities to verify that employers benefiting from public incentives properly register workers and meet contribution requirements.

5 Interoperability dimensions

In line with the DCI's approach (▶ see Box 4), the analysis of case studies uses a layered interoperability framework, including elements of non-digital and digital interoperability, to examine the interoperability of social protection and PES information systems. The framework includes five interdependent layers (European Commission 2017; World Bank 2022).

Layer 1. Governance interoperability refers to the overarching policies, leadership and institutional arrangements, roles and responsibilities, and accountability mechanisms that steer and sustain collaboration across sectors and thematic areas. For the interoperability of social protection and PES systems, this includes setting coherent policies and objectives (for example, linking unemployment benefits and job placement services), defining designated leadership roles across ministries or directorates responsible for social protection and PES, overcoming differences and building trust between responsible administrations, adopting interagency agreements for collaboration and data sharing protocols, and establishing accountability mechanisms, such as regular reporting, audits and oversight committees. Consistent with international labour standards, governance arrangements should also include formal mechanisms for consultation and the participation of employers' and workers' organizations in the design and oversight of employment services and related social protection measures.

Layer 2. Legal interoperability ensures that coordination, cooperation, and the exchange and use of data between social protection and PES systems complies with national laws and regulations, including those related to data protection, privacy, and administrative procedures. It is concerned with enabling organizations operating under different legal frameworks, policies, and strategies to work together through appropriate legal instruments, which allow for lawful and ethical information exchange while safeguarding individuals' rights, including through appropriate data protection safeguards and, where required, consent mechanisms governing the collection, sharing and use of personal data.

Layer 3. Organizational interoperability focuses on aligning institutional roles, workflows, and service delivery models to support integrated and user-centred services, accompanied by suitable and tailor-made data sharing mechanisms. In practice, this may involve harmonized business processes, interlinking delivery chains (▶ see Sections 2.1 and ▶ 2.2), formalizing referral pathways, sharing of caseworkers and administrators responsible for social protection and PES, co-locating services, or establishing case coordination protocols.

Layer 4. Semantic interoperability ensures that data exchanged across systems carries the same meaning, enabling accurate interpretation and use. This requires harmonizing terminology and definitions, data elements covered by the different systems (▶ see Sections 2.1 and ▶ 2.2), classifications, and code lists to support data integration and decision-making.

Layer 5. Technical interoperability covers the technological tools, standards, and infrastructure, hardware and software, that support reliable and secure data exchange. This can take different forms: data may be linked manually on a case-by-case basis, or through automated systems using APIs that enable real-time interoperability or even full system integration. APIs allow social protection and PES information systems to communicate and exchange data securely, efficiently, and consistently.

6 Lessons learnt from the country case studies

The three country case studies – ▶ Chile, ▶ Türkiye and ▶ Republic of Korea – illustrate different approaches to strengthening the linkages between social protection systems and PES. While country contexts and interoperability solutions vary considerably, the cases point to a number of shared lessons on how digital interoperability, institutional collaboration and joint policy design can reinforce each other in practice. Taken together, they demonstrate that progress in this area depends not only on technology, but equally on clear policy objectives, related legal frameworks, well-defined governance structures, and aligned operational processes. The following lessons synthesise these cross-cutting insights and highlight principles that are transferable to other country contexts.

Lesson 1. A clear vision aligns social protection and employment objectives. A shared policy vision across institutions is a prerequisite for effectively linking income support with labour-market participation. When social protection and employment objectives are designed together, programmes can reinforce rather than undermine each other. This approach is also reflected in international labour standards such as the Employment Policy Convention, 1964 (No.122), which calls for employment policy to be pursued in coordination with other major economic and social policies, including social protection. ▶ Türkiye's experience illustrates this clearly: over time, social assistance policies progressively adopted an employment-oriented approach through reforms that were jointly developed and implemented by the Ministry of Family and Social Services and the PES (İŞKUR). More recently, the linkage between the two policy fields has been further refined through the introduction of İŞKUR's Household Support System, which proactively identifies and engages with vulnerable households, including those receiving social assistance, in close cooperation with the national and local institutions responsible for social protection.

Lesson 2. Phased reforms and iterative system development help manage complexity. Countries achieved sustainable results by advancing reforms and digital system development gradually, rather than attempting comprehensive overhauls in a single step. In ▶ Türkiye, the connection between social assistance and employment services was built progressively over more than a decade, allowing institutions to adapt, clarify roles and adjust operational practices over time. Early pilot initiatives and initial cooperation arrangements were later formalized through laws and regulations, providing stability and predictability after practices had matured. On the technology side, a modular development approach proved effective: Türkiye's ISAS was expanded step-by-step by adding functional components, including an employment-related module in 2014, each of which was designed, tested and refined before wider rollout. An incremental approach was also adopted in the ▶ Republic of Korea, where previously separate, but interoperable, employment information systems were progressively consolidated into the Employment24 platform.

Lesson 3. Robust institutional coordination mechanisms underpin successful interoperability. Digital connections alone do not guarantee effective collaboration between institutions. Clear governance arrangements, defined roles and regular coordination are essential to ensure that data exchange translates into action on the ground. ▶ Chile's interagency coordination mechanisms around labour intermediation help align income support during unemployment with labour market reinsertion measures. The ▶ Republic of Korea complements digital data sharing with institutional coordination at the decentral level through its Employment Welfare Plus Centres. In ▶ Türkiye, local Social Assistance and Solidarity Foundations (SASFs) have internalized employment referral as a routine task, supported by dedicated focal points liaising with the PES (İŞKUR).

Lesson 4. Clear legal frameworks enable secure and trusted data sharing across institutions. Legal clarity on data access, use and protection is essential to enable public institutions to exchange information confidently and at scale without undermining trust in public institutions. Explicit legal mandates reduce uncertainty, lower institutional resistance, and provide safeguards for citizens' personal data. In ▶ Chile, a well-defined legal framework governs data exchange between the Ministry of Social Development and Family, which manages the Social Registry of Households, the RSH, and the National Training and Employment Service, SENCE, allowing verified household and income data to be used for employment subsidy administration in a transparent and accountable manner. Similarly, in the ▶ Republic of Korea, the Employment Insurance Act and related legislation explicitly authorize employment services to rely on digital systems and to cross-check benefit recipients' status against other administrative databases.

Lesson 5. Real-time data exchange can substantially improve efficiency, but is not always feasible or necessary. When social protection and employment systems can exchange data rapidly, eligibility checks, compliance monitoring and benefit adjustments can be carried out more efficiently and with fewer errors. ▶ Chile's use of the social registry RSH to pre-check eligibility for employment subsidies illustrates how automated data queries can speed up decisions and improve targeting. In the ▶ Republic of Korea, employment insurance data are used to promptly detect (re-)employment and adjust benefit payments from social welfare programmes accordingly. However, the ▶ Türkiye case highlights that real-time, fully automated exchange is not always feasible or necessary. The referral approach relies on structured, periodic data transfers between ISAS and the information system of İŞKUR, combined with clearly defined institutional responsibilities and consent-based referrals. This shows that meaningful gains can also be achieved through well-governed, partial or staged data exchange arrangements, in cases where fully automated date exchange is not feasible.

Lesson 6. Integrated digital service platforms break down silos and simplify access. A unified digital platform that consolidates employment- and social-protection-related services into a single interface can function as a one-stop shop, allowing workers and jobseekers to access multiple benefits and services without navigating separate systems. This approach streamlines user experience and administrative workflows. This is illustrated in the ▶ Republic of Korea's Employment24 platform, which brings together previously separate employment information systems, enabling extensive cross-ministerial data connections. Similarly, ▶ Chile's digital One-Stop Social Service Centre (Ventanilla Única Social) provides a single entry point for social benefits and employment-related subsidies, helping vulnerable households identify and apply for support more easily.

Lesson 7. Combining digital tools with human-centric support is essential for impact. Digital interoperability needs to be complemented by frontline capacity and user-oriented design. Technology alone cannot deliver results if staff and services are not prepared to help new client groups. ▶ Türkiye's experience shows that even though referrals from the welfare system to İŞKUR were automated, many beneficiaries had high barriers to employment and the employment services initially struggled to meet their needs; this highlights the fact that seamless IT linkages cannot substitute for the adequate training of counsellors and resources on the ground. A people-centred approach is vital: the ▶ Republic of Korea's one-stop centres for employment and welfare, the EWPCs, foster face-to-face case management alongside extensive data-sharing. These examples underscore that the successful integration of social protection and employment systems is not merely a technical issue, but also an operational one. It requires investing in staff capabilities, outreach, and service design.

Lesson 8. Some groups require tailored and intensified support to transition into employment. Standard activation pathways are often insufficient for beneficiaries of social assistance and unemployment insurance benefits facing multiple or structural barriers, such as youth, women with care responsibilities, long-term inactive persons, people with disabilities, low-skilled workers or those in informal employment. Income support and standardized employment services may not fit their individual support needs. Hence, activation measures need to be designed in ways that accommodate care responsibilities rather than penalize them, consistent with the Workers with Family Responsibilities Convention, 1981 (No. 156) and guidance on gender-responsive employment policies and active labour market programmes (ILO 2025a). Failure to account for unpaid care work may otherwise reinforce gender gaps in labour market participation and limit the effectiveness of activation policies. The ▶ Republic of Korea responded to such gaps by introducing a dedicated programme that directly combines income support with personalized counselling and ALMPs with longer engagement horizons. In ▶ Türkiye, modest employment outcomes among social assistance beneficiaries referred to İŞKUR prompted the introduction of household-based outreach and differentiated activation measures. These experiences underline the need for flexible pathways and carefully designed incentives to support sustainable transitions into work.

7 Conclusion

This analytical report and the corresponding country case studies (▶ see annexes) show that strengthening collaboration between social protection systems and PES can generate significant benefits for workers or jobseekers, employers, institutions and governments, particularly when supported by well-designed digital interoperability. At the same time, the analysis makes clear that opportunities for collaboration – and the corresponding use cases for data exchange – differ substantially across country contexts and collaboration may matter more than digitalization to achieve better outcomes. These differences are shaped by socioeconomic conditions, political priorities, the structure and maturity of social protection systems (both contributory and non-contributory), and, critically, the availability and capacity of PES. However, the success of social protection and PES interoperability should ultimately be assessed not only in terms of administrative efficiency gains, but primarily by whether or not it contributes to expanding access to decent work and reducing poverty in a sustainable manner.

A key conclusion of this study is that the maturity of PES is a decisive success factor. Effective collaboration requires PES with sufficient institutional capacity, adequate and well-trained staff, and a broad range of services tailored to different target groups. At the same time, strong institutional capacity on the social protection side is equally important, as effective linkages depend on well-functioning systems for benefit administration, case management and beneficiary support. In many low- and middle-income countries, these conditions are only partially met, which limits the effectiveness of referrals, activation measures and case management, even when digital systems are in place. Digital information systems can strongly support and enhance PES functions in places where a range of services exist, but they cannot compensate for gaps in core service capacity. Strengthening PES and social protection institutions should, therefore, be seen as a foundational investment when expanding linkages with social protection.

In low-income countries where PES are still incipient or largely absent and where social protection systems may also face capacity constraints, strengthening institutional capacity may need to precede or accompany efforts to establish digital interoperability between social protection and PES. In such contexts, initial priorities may include expanding basic employment service functions, strengthening social protection administration and case management systems, and investing in staff capacity across both sectors. While digital interoperability can play an important role in improving coordination and service delivery over time, its effectiveness depends on the presence of functioning institutions and programmes capable of acting on the information generated. Sequencing reforms in this way can help ensure that digital investments reinforce, rather than substitute for, the gradual development of effective social protection and employment services.

This report also underscores that digital interoperability is a means to an end, not an end in itself. Interoperable systems should serve broader national and sectoral policy objectives, such as poverty reduction, labour market inclusion, formalization and just transitions. Their design and use must be firmly anchored in existing governance arrangements, legal frameworks, operational processes and people's needs. Where these foundations are weak or misaligned, even technically advanced solutions are unlikely to deliver sustained results.

Finally, the analysis highlights the importance of carefully tailoring the level and form of collaboration to the country context and policy objectives. Collaboration can take different forms, ranging from basic coordination and information sharing to structured cooperation and, in some cases, deeper alignment of benefits, services and digital systems for the integrated delivery of benefits and services. Not all countries need – or are ready for – the same level of linkage. A pragmatic, phased approach that builds on existing institutions, programmes and services, prioritizes high-value use cases, and allows systems and practices to evolve over time is most likely to succeed.

References

Achá, V. 2022. *Chile's Social Information Registry.* DCI Learning Brief No. 4. Bonn: DCI.

Achá, V. and Otey. 2020. *Registro Social de Hogares*. Webinar Protección Social y Empleo: Desarrollo de Capacidades para mayor institucionalización de sistemas de evaluación en protección social, 27 de agosto de 2020.

Asenjo, A., Escudero, V. and Liepmann, H. 2024. "Why Should We Integrate Income and Employment Support? A Conceptual and Empirical Investigation". *The Journal of Development Studies*, 60 (1): 1–29.

Asenjo, A. and Pignatti, C. 2019. *Unemployment Insurance Schemes Around the World: Evidence and Policy Options*. Research Department Working Paper No. 49. Geneva: ILO.

Barca, V. and Hebbar, M. 2020. *On-Demand and Up-to-Date? Dynamic Inclusion and Data Updating for Social Assistance*. GIZ.

Berg, J. and Johnston, H. 2025. *AI in Human Resource Management: The Limits of Empiricism*. ILO Working Paper No. 154. Geneva: ILO.

Bergthaller, M. and Ebken, C. 2017. *Single Window Services for Social Protection: Summary of Discussion During an International Peer-to-Peer Learning Workshop*. GIZ.

Birdsall, K. 2022. *IDPoor: The Cornerstone of Cambodia's Social Protection System: A Publication in the German Health Practice Collection*. GIZ.

CCIL. 2024a. *Acta Comité Coordinación Intermediación Laboral (CCIL), Primera Sesión 2024 (5ta Sesión Ordinaria).*

CCIL. 2024b. *Acta Comité Coordinación Intermediación Laboral (CCIL), Segunda Sesión 2024 (6ta Sesión Ordinaria).*

Chacón Cancino, P. 2025. "La modernización de la Bolsa Nacional de Empleo". *Opinión Economía*, Cooperativa.

Chirchir, R. 2021. "Integrated information management". In: *Handbook on Social Protection Systems*. Cheltenham: Edward Elgar.

Comisión de Usuarios del Seguro de Cesantía. 2024. *Informe 2023–2024*.

Dansuk, E. 2025. *Türkiye: Presentation during the Talking Interoperability Webinar on Advancing the Integration of Social Assistance and Labour Market Programs*. Digital Convergence Initiative.

DCI. 2025a. *Linking Social Protection and Public Employment Services through System Interoperability: Learning Brief*. Digital Convergence Initiative.

DCI. 2025b. *A Data Governance Framework for Digital Social Protection Systems: Guidance for Practitioners, Policymakers and System Administrators*. Bonn: GIZ.

Departamento Intermediación y Prospección Laboral. 2025. *Análisis de vacantes y postulantes Bolsa Nacional de Empleo: Trimestre abril, mayo y junio 2025.*

Dingeldey, I. 2007. "Between Workfare and Enablement – The Different Paths to Transformation of the Welfare State: A Comparative Analysis of Activating Labour Market Policies". *European Journal of Political Research*, 46 (6): 823–851.

Duell, N. and de Moraes, G. 2021. *Review of Statistical Profiling*. Washington, DC: World Bank.

ESCAP. 2024. *Readiness to Implement the Action Plan to Strengthen Regional Cooperation on Social Protection: Türkiye.*

ESPN. 2016. *New Legislation in Turkey to Strengthen the Link between Social Assistance and the Labour Market*. ESPN Flash Report No. 2016/40. ESPN.

European Commission. 2017. *European Interoperability Framework (EIF)*. Brussels: European Commission.

Ezzat, M., De Lorenzo, S. and Tovar, G. 2025. *PES Digitalization: Guidance Note on Public Employment Services Digitalization*. Social Protection and Jobs Discussion Paper No. 2515. Washington, DC: World Bank.

Garda, P. and Caldera Sánchez, A. 2025. "Closing social protection gaps in Chile". *Expanding Social Protection and Addressing Informality in Latin America*. Paris: OECD Publishing

GIZ. 2022. *Skills for a Just Transition to a Green Future*. Discussion Paper. Bonn: GIZ.

GIZ and Food and Agriculture Organization (FAO). 2023. *Farmer Registries and Social Protection Information Systems: Harnessing Interoperability to Improve Outcomes for Rural Populations*. Bonn: GIZ.

Gulati, R., Wohlgezogen, F. and Zhelyazkov, P. 2012. "The Two Facets of Collaboration: Cooperation and Coordination in Strategic Alliances". *Academy of Management Annals*, 6: 531–583.

Guven, M., Yeachuri, A. and Almenfi, M. 2025. *Global Insights on Social Registries: Coverage and Beyond*. Washington, DC: World Bank.

IDB, WAPES and OECD. 2015. *The World of Public Employment Services: Challenges, Capacity and Outlook for Public Employment Services in the New World of Work*. Inter-American Development Bank (IDB), World of Public Employment Services (WAPES) and OECD. Paris: OECD Publishing.

ILO. 2015. *Public Employment Services in Latin America and the Caribbean: Chile*. Geneva: ILO.

ILO. 2018. *Public Employment Services: Joined-up Services for People Facing Labour Market Disadvantage*. ILO Briefs on Employment Services and ALMPs, Issue No. 1. Geneva: ILO.

ILO. 2019. *The Working Poor or How a Job is no Guarantee of Decent Living Conditions: A Study Based on ILO's Global Estimates of Employment by Economic Class*. ILO-STAT, Spotlight on Work Statistics No. 6, April 2019. Geneva: ILO.

ILO. 2020. *Guide on Making TVET and Skills Development Inclusive for All*. Geneva: ILO.

ILO. 2021a. *World Social Protection Report 2020–22: Social Protection at the Crossroads – In Pursuit of a Better Future*. Geneva: ILO.

ILO. 2021b. *Extending Social Security to Workers in the Informal Economy: Lessons from International Experience*. Geneva: ILO.

ILO. 2021c. *Public Employment Services Diagnostic Tool and Guide*. Geneva: ILO.

ILO. 2021d. *Reforms of the Employment Insurance System of the Republic of Korea to Cope with the COVID-19 Crisis*. ILO.

ILO. 2023a. *Aligning Skills Development and National Social Protection Systems*. Geneva: ILO.

ILO. 2023b. *Public Employment Services and Active Labour Market Policies for inclusive Labour Market Transitions*. Geneva: ILO.

ILO. 2024a. *World Social Protection Report 2024–2026: Universal Social Protection for Climate Action and a Just Transition*. Geneva: ILO.

ILO. 2024b. *The Republic of Korea: Extending Social Insurance to Digital Platform Workers*. Policy Brief. ILO.

ILO. 2025a. *Technical Guidance Note on Gender-Responsive National Employment Policies: A Path for Gender Equality*. Geneva: ILO.

ILO. 2025b. *Building Rights-Based Unemployment Protection Schemes: Guidance from ILO Social Security Standards*. Policy Brief. Geneva: ILO.

ILO. 2025c. *Decent Work for Turkish and Syrian Women in Türkiye's Labour Market: A Focus Group Study.* Ankara: ILO.

ILO and IPEA. 2025. *Facilitating Transition between Social Assistance and Social İnsurance: Conceptual Framework and Review of Global Good Practices for Countries in the Arab Region*. Geneva: ILO and IPEA.

ILO and ISSA. 2025. *Bridging the Coverage Gap: Supporting Workers through Subsidized Social Security Contributions: Global Compendium of National Contribution Subsidy Schemes*. Geneva: ILO and ISSA.

Immervoll, H. and Knotz, C. 2018. *How Demanding are Activation Requirements for Jobseekers*. OECD Social, Employment and Migration Working Papers No. 215. Paris: OECD Publishing.

Instituto Nacional de Estadística. 2023. *Personas jóvenes que no estudian y no están ocupadas*.

Instituto Nacional de Estadística. 2025a. *Boletín Estadístico: Empleo Trimestral*. *Edición* No. 324 / 29 octubre 2025.

Instituto Nacional de Estadística. 2025b. *Boletín Estadístico: Informalidad Laboral, Edición* No. 32 / 4 noviembre 2025.

İŞKUR. 2025. *2024 Yılı Faaliyet Raporu*. İŞKUR.

Karippacheril, T. G., Alberro Encinas, L. I., Cardenas Martinez, A. L., Daly, C. and Suri, S. 2024. *Playbook on Digital Social Protection Delivery Systems: Towards Dynamic Inclusion and Interoperability.* Washington, DC: World Bank.

KEIS. 2024. *Employment24 Brochure*. Korea Employment Information Service.

Koettl, J. and Tamayo, S. 2021. *Better Public Employment Services*. *10 country cases to inform reforms in developing countries*. Washington, DC: World Bank

Kring, S. and Elder, S. 2022. *Digital Solutions and Formalization: E-formalization Case Study on the Republic of Korea*. ILO.

Lee, S. 2015. *Social Security System of South Korea*. IDB Technical Note. Inter-American Development Bank (IDB).

Lindert, K., Karippacheril, T. G., Rodriguez Caillava, I. and Nishikawa Chavez, K. 2020. *Sourcebook on the Foundations of Social Protection Delivery Systems*. Washington, DC: World Bank.

McCord, A. 2018. *Linking Social Protection to Sustainable Employment: Current Practices and Future Directions*. SPEC.

MDSF. 2023. *Informe de Desarrollo Social*. Ministerio de Desarrollo Social y Familias.

Ministry of Labour and Social Security. 2025. *National Employment Strategy 2025–2028*.

MoEL 2024. *Employment and Labor Policy in Korea 2024*. Ministry of Employment and Labor.

MoFSS. n.d. *Effective Social Assistance Provision and Socioeconomic Empowerment in the Light of the COVID-19 Pandemic: Policies and Programs against the COVID-19 Pandemic in Türkiye*. MoFSS.

MoFSS and World Bank. 2017. *Turkey's Integrated Social Assistance System*. World Bank.

MoHW. 2024. *Overview of the National Basic Livelihood Security System*. Ministry of Health and Welfare.

Nunn, A. 2024. *How Effective are Active Labor Market Policies and Public Employment Services? Lessons for Latin America and the Caribbean*. IDB Technical Note No. 2986. IDB.

OECD. 2020. *Public Employment Services in the Frontline for Jobseekers, Workers and Employers*. Paris: OECD Publishing.

OECD. 2022a. *OECD Economic Surveys: Chile 2022*. Paris: OECD Publishing.

OECD. 2022b. *OECD Economic Surveys: Korea 2024*. OECD Publishing.

OECD. 2023. *Benefit Reforms for Inclusive Societies in Korea: Income Security during Job-lessness*. OECD Publishing.

OECD. 2024a. *A New Dawn for Public Employment Services: Service Delivery in the Age of Artificial Intelligence*. Paris: OECD Publishing.

OECD. 2024b. *OECD Youth Policy Toolkit*. Paris: OECD Publishing.

OECD. 2024c. *Youth Employment Subsidies – Multiple Countries*. Paris: OECD Publishing.

OECD. 2024d. *Strengthening Active Labour Market Policies in Korea (Connecting People with Jobs)*. OECD Publishing.

OECD. 2024e. *Tax and Benefit Policy Descriptions for Türkiye 2024*. OECD Publishing.

Oyarzo, M. and Ferrada, L. M., 2024. "Exploring the Impact of Employment Policies on Wages and Employability in the Chilean Local Labor Market". *Regional Science Policy & Practice*, 16(7).

Peyron Bista, C. and Carter, J. 2017. *Unemployment Protection: A Good Practices Guide and Training Package*. Geneva: ILO.

Rahbari, A. 2025a. *Data Exchange Platforms for Interoperability: Country Approaches*, DCI Learning Brief. Bonn: DCI.

Rahbari, A. 2025b. *Advancing the İntegration of Social Assistance and Labour Market Programmes – Approaches from Türkiye*. DCI Learning Brief No. 19. DCI.

Ramkissoon, S. 2016. *Integrated Public Service Delivery for Social Protection: International Experiences with Single Window Services*. Bonn: GIZ.

República de Chile. 2025. *Mensaje de S.E. el Presidente de la República con el que inicia un proyecto de ley que crea un nuevo sistema de subsidio unificado al Empleo*.

SENCE. 2022. *Evaluación de Impacto: Programa Bono al Trabajo de la Mujer*, Unidad de Estudios.

Senado de la República de Chile. 2026. *Senado despacha sistema de subsidio unificado al Empleo*. Noticias.

Superintendencia de Pensiones. 2025. *Documento de Trabajo No. 75: Estudio Actuarial de los Fondos del Seguro de Cesantía*.

Superintendencia de Pensiones. n.d. *Compendio de Normas del Seguro de Cesantía*.

T. C. Cumhurbaşkanlığı Strateji ve Bütçe Başkanlığı. 2023. *On ikinci kalkinma plani* (2024–2028). https://www.sbb.gov.tr/wp-content/uploads/2025/08/Yoksullukla-Mucadele-ve-Sosyal-Yardimlar-OIK-Raporu_01082025.pdf#:~:text=%EF%82%B7%20Sosyal%20yard%C4%B1m,Sosyal%20Yard%C4%B1mla%C5%9Fma%20ve%20Dayan%C4%B1%C5%9Fma%20Vak%C4%B1flar%C4%B1

World Bank. 2022. *Interoperability – Towards a Data-Driven Public Sector. Equitable Growth, Finance and Institutions Insight*. Washington, DC: World Bank Group.

World Bank. 2023. *Türkiye Public Finance Review: Leveraging Fiscal Resources for Stability and Resilience*. World Bank.

World Bank. n.d. a. *Case Compass: South Korea*. World Bank.

World Bank. n.d. b. *PES Review: Republic of Korea*. World Bank.

World Bank. n.d. c. *PES Review Chile: Country Case Studies*. Washington, DC: World Bank.

Yoo, K.-S. n.d. *The Employment Insurance System in Korea*. Ministry of Employment and Labor.

Digital Convergence USP 2030

Annex 1

Country case study: **Chile**

Contents

References 63

Executive summary 72

1 Background 74

2 Linking unemployment insurance to labour market re-insertion: Monitoring beneficiary compliance through the National Employment Platform 76

2.1 Introduction 76
2.2 Institutional arrangements 79
2.3 Legal framework 81
2.4 Operational workflow 82
2.5 Key elements of digital interoperability 84
2.6 Critical success factors and remaining challenges 85
2.7 Results of the approach 87
2.8 Way forward 89

3 Supporting vulnerable groups to enter the formal labour market: Delivering employment subsidies with the help of the Social Registry 90

3.1 Introduction 90
3.2 Institutional arrangements 94
3.3 Legal framework 95
3.4 Operational workflow 96
3.5 Key elements of digital interoperability 98
3.6 Critical success factors and remaining challenges 99
3.7 Results of the approach 101
3.8 Way forward 102

4 Conclusion 104

Figures, tables and boxes

Figure 1. Number of members and contributors to unemployment insurance 88

Table 1. Overview of employee and employer contributions to CIC and FCS 77

Table 2. Key design features of employment subsidies provided by SENCE 92

Box 1. The National Employment Platform (Bolsa Nacional de Empleo, BNE) 78

Box 2. The role of the Municipal Employment Information Offices (Oficinas Municipales de Información Laboral, OMILs) 81

Box 3. Scholarships for beneficiaries of the Solidarity Unemployment Fund (Fondo de Cesantía Solidario, FCS) and Becas FCS 84

Box 4. The Social Information Registry (RIS) and the Registro Social de Hogares (RSH) 93

Box 5. The One-Stop Social Service Centre (Ventanilla Unica Social, VUS) 98

Executive summary

This case study examines how Chile has strengthened coordination between social protection and public employment services (PES) through digital interoperability. It focuses on two main use cases: (1) Linking unemployment insurance to labour market reinsertion: Monitoring beneficiary compliance through the National Employment Platform, and (2) Supporting vulnerable groups to enter the formal labour market: Delivering employment subsidies with the help of the Social Registry.

This case study contributes to a broader analytical report, *Linking Social Protection and Public Employment Services (PES) Through System Interoperability*, produced under the Digital Convergence Initiative (DCI), which examines how digital interoperability between social protection systems and PES can improve service delivery and labour market outcomes.

Use case 1: Linking unemployment insurance to labour market reinsertion: Monitoring beneficiary compliance through the National Employment Platform
Chile links unemployment insurance, particularly benefits from the Solidarity Unemployment Fund (Fondo de Cesantía Solidario, FCS) – to active labour market participation through the National Employment Platform (Bolsa Nacional de Empleo, BNE). Beneficiaries are required to register on the platform, maintain an updated profile, apply for jobs, and participate in interviews or training as a condition for receiving benefits. The system relies on regular data exchange between the unemployment insurance administrator (Administradora de Fondos de Cesantía de Chile, AFC) and the BNE. Information on beneficiary status is transmitted to the platform, while data on job-search activities are periodically verified and returned to the AFC to determine whether benefits should continue or be suspended.

Overall, this approach has strengthened the enforcement of activation requirements and improved the monitoring of job-search behaviour. It has also contributed to the transformation of the BNE from a compliance tool into the central digital platform for labour intermediation, supporting job matching, service delivery, and coordination across institutions.

Looking ahead, the modernization of the BNE under the 2025–2029 framework aims to address existing limitations and strengthen activation outcomes. Planned upgrades, including automated job matching, improved tracking of job-search activities, and the transition to near real-time data exchange, are expected to enhance compliance monitoring and service delivery. The expansion of platform functionalities, including services for self-employed workers, will further support labour market integration and transitions into formal employment.

Use case 2: Supporting vulnerable groups to enter the formal labour market: Delivering employment subsidies with the help of the Social Registry

Chile supports the labour market integration of vulnerable groups through employment subsidies targeted at young people and women from low-income households. Eligibility is determined using data from the Social Registry of Households (Registro Social de Hogares, RSH), which provides up-to-date information on socio-economic status.

When individuals apply for subsidies through the platform of the National Training and Employment Service (Servicio Nacional de Capacitación y Empleo, SENCE), their eligibility is verified automatically through real-time queries to the RSH and other administrative databases. This allows for immediate feedback to applicants and reduces processing times.

SENCE reports information on subsidy beneficiaries back to the Social Information Registry (Registro de Información Social, RIS) managed by the Ministry of Social Development and Family. This is done through periodic, structured data transfers, which allow beneficiary information from employment programmes to be consolidated with data from other social programmes.

Overall, this approach has improved the accuracy and speed of eligibility determination, reduced administrative burdens for both applicants and institutions, and strengthened the targeting of subsidies towards vulnerable groups. It has contributed to moderate increases in formal employment and social security contributions among beneficiaries, particularly for young workers, while also improving access to income support linked to formal employment.

At the same time, results remain constrained by several factors. The overall impact of the subsidies on employment outcomes is relatively modest, reflecting low benefit levels and limited incentives for employers. Coverage remains uneven, and the system continues to face fragmentation of data sources and administrative complexity. In response, reforms are under way to consolidate existing schemes into a unified employment subsidy system, with the aim of simplifying access, strengthening targeting, and improving incentives for formal employment, particularly for vulnerable groups.
The RSH will continue to serve as the basis for eligibility determination within the new system, reflecting its established role and effectiveness as a targeting instrument.

1 Background

Chile stands out in Latin America for its sustained economic development over the past three decades and is now classified as a high-income country. Economic progress has been accompanied by the consolidation of one of the region's most comprehensive social protection systems, encompassing a quasi-universal basic pension, universal healthcare coverage, unemployment insurance, employment subsidies for formal-sector workers, and a broad range of social assistance and productive inclusion measures targeted at low-income and extremely poor households (Garda and Caldera Sánchez 2025).

Moreover, the government has promoted a robust agenda to strengthen employment policies, taking important steps to improve the employability and skills of groups with lower participation rates, such as women and young people, and to extend the working life of the labour force as the population ages. To support these objectives, a dedicated division has been established within the Undersecretariat of Labour (Subsecretaría del Trabajo) of the Ministry of Labour and Social Welfare (Ministerio del Trabajo y Previsión Social, MTPS). This division is responsible for coordinating employment policies and related services, including training, skills certification, employment subsidies, labour intermediation, and the digital jobseeker registration platform, the National Employment Platform, the Bolsa Nacional de Empleo (BNE).

Recognizing that a well-functioning public employment service is key to activating jobseekers and matching them with available jobs, Chile is investing in strengthening labour market intermediation capacity at the local level, through the Labour Observatory Programme (Programa Observatorio Laboral) and the establishment of a National Labour Prospecting Strategy (Estrategia Nacional de Prospección Laboral). Improving the links between employment services and training programmes is also a priority, aimed at expanding access to more secure and better-paid jobs for low-skilled and low-income workers (ILO 2015). Together, these measures have contributed to sustained reductions in poverty and improvements in social well-being.

Despite this progress, important challenges remain: Chile's formal active labour force numbers around 10.2 million people, with significant gender gaps in participation (77% labour force participation for men compared with 53% for women).

Unemployment remains widespread among certain groups. As of October 2025, the overall unemployment rate stood at 8.5%, with notable differences between men (8.1%) and women (9.1%) (Instituto Nacional de Estadísticas 2025a). Among young people aged 15 to 24, more than 15% are neither studying nor in paid employment (Instituto Nacional de Estadísticas 2023). As is common in the region, young people in Chile have consistently exhibited higher unemployment rates than the rest of the economically active population (Oyarzo and Ferrada 2024). More than a quarter of workers are employed in the informal economy. Women are slightly more likely to work informally than men. Informal employment is also higher among the elderly, the young and those with lower educational attainment (Garda and Caldera Sánchez 2025).

Social protection coverage remains relatively limited, as access continues to depend largely on a worker's employment status and ability to make regular contributions to social insurance schemes. As a significant share of the Chilean workforce is employed in the informal economy or moves intermittently between formal and informal employment, substantial coverage gaps persist across the social protection system. According to the latest World Social Protection Report (ILO 2024a), 75% of the population are covered by at least one social protection benefit (excluding health). Just one quarter of the working-age population qualifies for unemployment benefits, and barely 30% of vulnerable persons receive social assistance benefits.

As a result, around one-third of the population remains economically vulnerable, and income inequality continues to be high (OECD 2022a). These persistent disparities undermine inclusive growth and contribute to public dissatisfaction stemming from unequal access to economic opportunities, basic services, and social security benefits. These tensions culminated in widespread social unrest in late 2019, accompanied by calls for a comprehensive reform of the social protection system. The COVID-19 pandemic further exposed these structural vulnerabilities and highlighted the need for a more resilient and inclusive safety net (Garda and Caldera Sánchez 2025).

Post-pandemic, Chile has embarked on significant reforms to strengthen social protection and promote formal employment. These include measures to expand social protection coverage and adequacy, enhance unemployment insurance, and over-haul employment subsidies for formal-sector workers. Collectively, these initiatives aim to encourage formalization, reinforce social protection, and reduce inequality. These reforms have been accompanied by enhanced collaboration among the key state institutions responsible for social protection and employment promotion, underpinned by the systematic exchange of data and digital interoperability between relevant authorities.

The present country case study examines two distinct use cases that illustrate how institutional collaboration and digital interoperability have supported these efforts.

2 Linking unemployment insurance to labour market reinsertion: Monitoring beneficiary compliance through the National Employment Platform

2.1 Introduction

Chile's unemployment protection system is based on the contributory **Unemployment Insurance (Seguro de Cesantía)**, established in 2001. Its purpose is to provide income support to workers during periods of unemployment. The system is managed by the Chilean Unemployment Fund Management Company (Sociedad Administradora de Fondos de Cesantía de Chile III S.A., AFC), which administers the funds and benefit payments.

Membership is compulsory for all adult workers (18 years and older) who are beginning or resuming their working life under contracts governed by the Labour Code, including indefinite, fixed-term, and specific work or service contracts and, since September 2020, also paid domestic workers.[36]

36 The scheme does not cover workers employed under special statutes outside the Labour Code, such as public sector and municipal employees, members of the armed forces, police and security personnel, nor does it include self-employed workers, people under 18 years of age, workers with apprenticeship contracts, or pensioners (with the exception of those receiving partial disability pensions).

The unemployment insurance system involves two funds:

- The **Individual Unemployment Accounts (Cuentas Individuales de Cesantía, CIC)**, which are individually capitalized and compulsory, and whose resources are the exclusive property of each affiliated worker.
- The **Solidarity Unemployment Fund (Fondo de Cesantía Solidario, FCS)**, which is a pooled fund, designed to support workers whose individual savings are insufficient. Access to this fund is contingent on strict eligibility conditions. The FCS can be paid out for up to 10 monthly payments within a 5-year period. Additionally, there are two extra payments possible if certain conditions are met: if the beneficiary remains unemployed, has exhausted the regular payments, and there is a "high unemployment" situation (where national unemployment exceeds by 1% or more than the average unemployment rate for the past 4 years).

The financing of the unemployment insurance system is based on a mandatory contribution of 3% of gross wages, although the way this contribution is distributed between workers and employers, and between the CIC and the FCS, depends on the type of employment contract (▶ see Table 1). The State also makes regular transfers to the FCS to ensure its financial sustainability (Comisión de Usuarios del Seguro de Cesantía 2024).

Table 1. Overview of employee and employer contributions to CIC and FCS

	Indefinite contract	Fix-term contract	Domestic worker	Type of fund
Employee	0.6%	0.0%	0.0%	CIC
Employer	1.6%	2.8%	2.2%	CIC
	0.8%	0.2%	0.8%	FCS
Total	3.0%	3.0%	3.0%	

Source: Comision de Usuarios del Seguro de Cesantía (2024)

Workers with indefinite contracts must contribute at least ten months, and those with fixed-term contracts at least five months, to qualify for benefits. The solidarity fund is only available if the worker has made at least 10 contributions within the past 24 months, the last 3 with the same employer, and has lost employment involuntarily due to causes such as contract expiration or business needs (Comisión de Usuarios del Seguro de Cesantía 2024).

Workers who access the FCS are subject to conditionalities linking income support to labour market reinsertion. Beneficiaries must engage in active job search, register with the BNE (▶ see Box 1), report monthly to municipal employment offices (Oficinas Municipales de Información Laboral, OMILs) (▶ see Box 2), attend scheduled job interviews, and accept suitable employment or training referrals. Benefit payments are automatically suspended, with any remaining entitlement forfeited, if the jobseeker does not actively search for employment, rejects a job offer without just cause (defined as offering remuneration equal to or greater than 50% of the last salary received), declines a training opportunity without justification, withdraws from a course before completion, or fails to update their curriculum vitae (CV) on the BNE platform (World Bank n.d. c.).

Box 1. The National Employment Platform (Bolsa Nacional de Empleo, BNE)

The Bolsa Nacional de Empleo (BNE) is Chile's national online employment platform, launched in 2011 (based on and overseen by the Undersecretary of Labour, the Subsecretaría del Trabajo, of the Ministry of Labour and Social Welfare, the Ministerio del Trabajo y Previsión Social). Implemented by a private contractor, the platform functions both as a job matching tool and a gateway to employment services. Originally, the BNE was created to enable beneficiaries of the FCS to demonstrate active job search as a condition for maintaining benefit eligibility. Over time, its scope expanded beyond this original purpose to serve all jobseekers and employers as the digital backbone of the country's labour intermediation system.

Jobseekers can register online at the BNE platform using their national unique identification number (Rol Único Social, RUN) or ClaveÚnica (a personal digital ID that allows Chilean residents to securely access online government services), or in person at Municipal Employment Information Offices (OMILs) (▶ see Box 2) and ChileAtiende offices.[37] Registration requires basic identification and personal data.

Once registered, jobseekers have access to a broad range of services designed to support their search and reintegration into the labour market. The platform provides updated job offers and vacancies, disaggregated by municipality, and allows users to apply free of charge. Going forward, the BNE is expected to expand its functions by providing information on the FCS, enabling applicants to monitor the status of their applications, and offering a job-placement service coordinated with the OMILs.

The system is underpinned by a database that stores detailed information on jobseekers and their applications. The main data fields captured include personal identification data such as name, sex, date of birth, nationality, and type of identification document; contact and geographic information; and employment-related variables such as qualifications, current labour situation, declared economic activity, and whether the applicant has a disability (Departamento Intermediación y Prospección Laboral 2025).

37 ChileAtiende is a multiservice public network designed to make life easier for people by simplifying how they access information, benefits, and services offered by the state. Through its various service and guidance channels, ChileAtiende helps citizens better understand and complete government-related procedures. The network is administered by the Social Security Institute (Instituto de Previsión Social, IPS) and operates more than 200 branches across the country. At these offices, individuals can carry out a wide range of procedures and receive personalized guidance on state services and benefits.

Each record also contains the date and type of application, along with a unique identifier of the job offer, which links each application to the specific vacancy published by an employer. This identifier ensures the traceability of applications within the system and enables analyses of labour demand, user activity, and outcomes across different sectors and regions. These data allow the BNE to monitor application trends, assess user profiles, and facilitate interoperability with other public services involved in labour intermediation and inclusion policies.

For employers, the BNE offers a comprehensive range of services, including the publication of job vacancies, the management of job applications and candidate follow-up, and access to the history of previously published vacancies. All services are provided free of charge.

The platform also allows employers to obtain certification under Law No. 21.015 on Labour Inclusion, which requires companies with 100 or more employees to reserve at least 1% of their workforce for persons with disabilities. Through this function, the BNE verifies and certifies compliance with the inclusion quota established by law.

Following a competitive bidding process in 2024, a new contract was signed with the platform operator for the period 2025 to 2029.

2.2 Institutional arrangements

The following actors play a central role in implementation of the measures that link the unemployment insurance to labour market reinsertion measures:

The **Superintendencia de Pensiones (Superintendent of Pensions)** is the regulatory body that represents the State within the Chilean pension system. It serves as the supervisory and regulatory authority for the unemployment insurance scheme, enforces compliance with the rules and issues binding norms in the Compendio de Normas (Superintendencia de Pensiones n.d.).

The **AFC Chile** is a private entity under a public concession responsible for administering the unemployment insurance system. It operates under the oversight of the Superintendencia de Pensiones and is owned jointly by private pension fund administrators (Administradoras de Fondos de Pensiones) and the state bank (BancoEstado). It is responsible for the operational implementation of unemployment insurance, including the FCS, including collecting contributions, keeping contribution records, assessing eligibility, paying benefits, and applying sanctions.[38]

38 To strengthen accountability and transparency, the unemployment insurance scheme also includes a Users' Commission of the Unemployment Insurance (Comisión de Usuarios del Seguro de Cesantía, CUSEC), which is composed of representatives from workers, employers, and the government. This body provides oversight and evaluation of the functioning of the unemployment insurance system, issues recommendations, and ensures that users' perspectives are incorporated in its ongoing improvement.

The Undersecretary of Labour (Subsecretaría del Trabajo) of the Ministry of Labour and Social Welfare (MTPS) is the policy owner for labour intermediation and also responsible for managing the BNE (▶ see Box 1). It designs and administers the four-year BNE execution contract, validates contractor deliverables, convenes strategic and operational coordination bodies, steers interoperability and data-sharing arrangements, and authorizes National Training and Employment Service (Servicio Nacional de Capacitación y Empleo, SENCE) payments to the contractor implementing the BNE.

SENCE, supported and overseen by the Undersecretary of Labour, is the public institution responsible for employment and training programmes, including labour intermediation services. The legal framework (▶ see Section 2.3) foresees that these labour insertion and employability measures may be financed through the FCS, with an annual allocation of up to 2% of the resources recorded in the Fund in the preceding year. SENCE also provides operational guidance, technical support and funding modalities for the OMILs, which act as local delivery partners for employment services (▶ see Box 2).

Coordination mechanisms between the Undersecretary of Labour, SENCE, and the Superintendencia de Pensiones are formally established through a set of decrees and the institutional protocol that regulates the operation of the BNE and its links with the unemployment insurance system. These mechanisms include a Labour Intermediation Coordination Committee (Comité de Coordinación de Intermediación Laboral, CCIL), which meets twice a year to define strategic priorities, align work plans, and monitor system performance. Complementing this body, an operational committee, composed of representatives of the Undersecretary, SENCE, and the contractor implementing the BNE, meets weekly to oversee the day-to-day functioning of the BNE, address technical issues, and ensure the timely implementation of contractual improvements.

Box 2. The role of the Municipal Employment Information Offices (Oficinas Municipales de Información Laboral, OMILs)[39]

The provision of PES in Chile is a shared responsibility between the central and municipal governments. While municipal authorities manage and operate the OMILs, SENCE provides technical and financial support to most of them.[40] Together with the BNE (▶ see Box 1) the OMILs constitute the main channels for employment service delivery across the country.

The OMILs are the primary local actors and serve as the interface between jobseekers, employers, and national employment programmes. They offer a range of employment services, including the registration and profiling of jobseekers, skills assessment, career guidance, referral to training, job matching, and post-placement follow-up. OMIL officers are incentivized to register all relevant activities in the BNE platform.

To fulfil their tasks, the OMILs may also consult information from the Social Registry of Households, the Registro Social de Hogares (RSH) (▶ see Box 4), subject to data protection and purpose-limitation rules, primarily to support the socioeconomic profiling and prioritization of jobseekers for employment and training programmes.

Each year, SENCE signs cooperation agreements with municipalities to fund and strengthen the OMILs, called the Convenios de Fortalecimiento OMIL (FOMIL). These agreements establish technical standards, performance indicators, and staffing profiles, and are coordinated through SENCE's regional directorates, which oversee implementation and provide technical assistance.

According to the latest data, approximately 315 out of Chile's 345 municipalities – representing around 91% – have an active OMIL listed in the national directory.[41]

2.3 Legal framework

The legal basis of Chile's unemployment insurance system is Law N° 19.728 of 2001 on mandatory unemployment insurance, which was updated through Law N° 20328 of 2009. Its Article 25 establishes that resources from the FCS may also be used to finance training, employability and labour intermediation programmes for unemployed workers, thereby linking the protection function of the scheme to active labour market measures.[42]

39 Based on World Bank (n.d.c.).

40 SENCE also invests in online customer service channels and regional offices that provide employment intermediation services.

41 https://www.bne.cl/listado-omil

42 This framework was further operationalized by Supreme Decree N° 13 of 2025 of the Ministry of Labour and Social Security, which regulates the use of FCS resources for employability and intermediation services and replaces the previous regulatory decree.

Its Article 28 requires that beneficiaries of the FCS demonstrate effective job search and specifies that failure to register with the BNE constitutes non-compliance and will lead to the suspension of benefits. These provisions are detailed further in various implementing regulations and consolidated in the Superintendencia de Pensiones's Compendio de Normas del Seguro de Cesantía.

More recently, Law N° 21.628 of 2023 introduced significant reforms that strengthen the employability dimension of the system, reinforcing that unemployment insurance is not only a mechanism to provide financial support, but also part of a broader activation strategy that links beneficiaries to employment services and promotes their reintegration into the labour market. It designates SENCE as the responsible entity for implementing these measures.

In terms of data protection, information exchanges between the BNE, the AFC, and other institutions are carried out under the framework of Law N° 19.628 (1999) on the Protection of Personal Data, as updated by Law N° 21.719 (2024), which created a new data protection agency and introduced higher standards of security and accountability. The law enshrines the principle of data minimization, requiring that only information strictly necessary for programme operation be processed. The BNE's own privacy policy explicitly refers to this legal basis, ensuring coherence between the unemployment insurance regulations and the broader data protection framework.

2.4 Operational workflow[43]

The BNE operates as a universal employment platform that any jobseeker in Chile can use, whether or not they receive unemployment benefits. The MTPS promotes the idea that all workers should maintain an active profile on the BNE, regularly updating their information, exploring vacancies, and using the system as a central access point for employment and training services. This approach reflects the broader vision of the BNE as a comprehensive digital gateway to the labour market, supporting both the prevention of unemployment and reintegration for those who are out of work.
Within this universal framework, the BNE also performs its specific function linked to the Unemployment Insurance System. The operational workflow is as follows.

43 Based on Superintendencia de Pensiones (n.d.)

Step 1
Application for benefits through AFC

The process begins when an unemployed person applies for benefits through the AFC. This can be done online, via the AFC's website, using their RUN or ClaveÚnica. The online channel allows users to submit applications, upload supporting documents, and track the status of their benefits. For those who prefer in-person assistance, registration can also be carried out on-site at any AFC branch office across the country, where staff verify documentation and initiate the benefit process.

Step 2
Transfer of information to BNE

Once the registration is received, the AFC must forward the following data directly to the BNE (▶ see Box 1): the worker's name, tax identification number (Rol Único Tributario, RUT), registered contact details, education level, RUT and business name of the most recent employers, and the last monthly remuneration earnt prior to termination of the employment contract. Information on new registrants has to be forwarded by the AFC on a daily basis.

Step 3
Registration with BNE

In parallel, applicants are required to register directly with the BNE (▶ see Box 1) and activate their user account within no more than 96 hours. Through the platform, they must create a personal profile and upload their CV.

Step 4
Participation in active job search

Beneficiaries are required to engage in active job search and demonstrate this through the BNE platform. This includes keeping their profile and CV up-to-date on the platform, applying to relevant vacancies suggested by the BNE, and confirming participation in interviews or training activities mediated through the platform. Some of these activities are already automatically recorded by the system, while others are expected to be incorporated in the near future (▶ see Section 2.8).

Step 5
Verification of active job search

The data collected in the BNE serves as the basis for verifying compliance with job-search obligations. The AFC periodically queries this information via an API for FCS beneficiaries, subject to verification, at least once a week. The information validated against BNE records is then returned to the AFC to determine whether benefits should be continued or suspended.

Non-compliance with these obligations triggers sanctions, including the suspension and eventual termination of benefit payments.

The OMILs (▶ see Box 2) play a supporting role by assisting with registration in the BNE, counselling, and job matching activities. SENCE complements these efforts by providing access to training programmes

Box 3. Scholarships for beneficiaries of the Solidarity Unemployment Fund (Fondo de Cesantía Solidario, FCS) and Becas FCS

In parallel, beneficiaries of the Fondo de Cesantía Solidario (FCS) can also apply for the Becas FCS. These are training scholarships financed through the FCS, aimed at enhancing the employability of unemployed workers receiving unemployment insurance benefits. Managed by SENCE, the scholarships provide free access to selected vocational training programmes, upskilling opportunities, and certification of labour competencies in sectors with high labour demand. It also includes accident insurance, a daily allowance of Chilean peso (CLP) 4,000 (approximately USD 4.3) and a care allowance of CLP 5,000 (approximately USD 5.3) (if applicable) per day attended. Beneficiaries of the FCS may apply for these scholarships through the SENCE website, where applicants can select relevant courses. The training programmes are provided by accredited institutions.

2.5 Key elements of digital interoperability

Information exchange between the BNE and AFC Chile follows a structured, rule-based process managed by the Undersecretary of Labour. The BNE (▶ see Box 1), serving as both a jobseeker registration system and a job matching platform, constitutes the digital backbone of this exchange.

Under the contract with the current BNE operator, the AFC sends encrypted files (typically in Excel format) listing FCS beneficiaries who are due for verification on a daily basis. The Undersecretary of Labour transmits this list to the BNE's operator, which cross-checks the information against platform activity records and compiles a certified list identifying those who demonstrate active job search. The validated information is then sent back to the AFC to determine the continuation or suspension of benefits.

Following a competitive bidding process in 2024, a new contract was signed with the platform operator for the period 2025 to 2029. The contract provides for the modernization of data exchange through an API-based interoperability system that enables near real-time communication between the BNE and the AFC. The new architecture is designed to reduce manual processing and enhance data security. All exchanges take place under formal interinstitutional agreements that define responsibilities for data use and protection, encryption, and auditing, in accordance with the new data protection law.

The BNE is also designed to support interoperability with other public labour-market institutions. In particular, it foresees integration with the Labour Directorate's Electronic Labour Contract Registry (Registro Electrónico Laboral, REL), which records employment contracts. This integration allows information on registered contracts to be used to identify the start of employment and, where applicable, support the termination of FCS benefit payments.

The information entered by OMILs (▶ see Box 2) through the BNE also becomes part of each user's employment history within the central database. Municipal employment officers can access the BNE through administrative profiles to register jobseekers, update their profiles, record counselling and intermediation activities, and document participation in training or placement measures.

2.6 Critical success factors and remaining challenges

Several factors have contributed to successful collaboration and data exchange between the involved actors:

- With its direct link to the BNE, the unemployment insurance system operates not only as a mechanism for providing temporary income support to contributing workers who lose their jobs, but also as an **integral component of Chile's broader employment policy framework**, which promotes training, employability, and rapid reintegration into the labour market.
- The existence of a **well-defined institutional architecture and established coordination mechanisms** among the Undersecretary of Labour, the Superintendencia de Pensiones, and AFC Chile – together with the creation of a dedicated Employment Policy Division since late 2022 – has ensured steady collaboration and responsiveness between policy, regulatory, and operational levels. The CCIL and the weekly technical meetings involving all relevant actors ensure continuous communication between the institutions responsible for policy, regulation, and implementation, allowing for agile management of the BNE and its interoperability with other relevant databases.
- The **integration of digital and local employment services** through the BNE and the OMILs provides multiple access points for jobseekers and employers. This approach supports a people-centred approach that combines digital efficiency with personalized assistance at the local level.

- Since its inception, the BNE has continuously implemented **technological upgrades and regulatory improvements** to strengthen employability support and enhance service quality for citizens. Recent advances include the establishment of a single, standardized job application format, and the integration of interactive systems with other public services to simplify and safeguard employer access to the portal and reduce the risk of fraud in job offers.

- **Under the new framework for the BNE starting in 2025, broader system reforms are being realized**. This includes the platform's migration to cloud-based infrastructure, which will enhance scalability, reliability, and security, while a new dashboard will provide real-time visibility for key performance indicators to support improved management and accountability. The BNE will also comply with universal accessibility standards (in line with the Web Content Accessibility Guidelines), ensuring access across devices and for all users, including persons with disabilities (CCIL 2024a).

- A further key success factor has been the emphasis on **maintaining the operational stability of the BNE while preparing for the new contractual cycle** starting in 2025. In the period leading up to the transition, priority was given to ensuring the continuity of core services essential for job searches and for monitoring compliance under the FCS, alongside targeted system improvements. At the same time, preparatory work was undertaken to strengthen interoperability and to define the technical and governance conditions for future system enhancements, supporting a smooth transition to the post-2025 operational model under the new contract.

Despite these successes, several challenges remain that need to be addressed to achieve better results:

- The unemployment insurance system currently **lacks a comprehensive activation and benefit control mechanism**. Monitoring applies only to FCS beneficiaries, whose job search efforts are verified through OMIL and BNE reports and internal AFC checks. Individuals drawing benefits solely from their individual savings accounts (CIC) are not required to register with employment offices or demonstrate active job seeking, which limits the reach of the labour market reinsertion measures.[44]

- Although the FCS reserves up to 2% of its resources for employability-related initiatives implemented by SENCE, **actual spending of employability funds has historically remained well below this ceiling**. According to information provided by the MTPS, for 2026, approximately CLP 5 billion has been requested for such purposes, compared with a potential envelope of around CLP 70 billion implied by the 2% cap. Since the enactment of Law N° 21.628 in 2023, initial steps have been taken to promote a more effective use of these funds in line with the system's employability objectives; nevertheless, further progress is needed to fully operationalize this mechanism and ensure that it consistently supports activation goals (CCIL 2024a).

44 Unemployment individual savings accounts, such as the CIC, require workers to accumulate personal savings that can be drawn upon during periods of unemployment. Because these accounts lack risk-pooling mechanisms, they offer only limited protection for workers who face a high risk of job loss, such as unskilled or young workers (ILO 2025b).

- The effectiveness of coordination is influenced by the **heterogeneity of local capacities and territorial contexts**. The performance of OMILs continues to vary across municipalities, reflecting differences in resources, management practices, and local labour market conditions, including rural-urban characteristics, levels of poverty, and the scale of potential labour demand. While SENCE provides differentiated technical and financial support that takes these local realities into account, service quality remains uneven, affecting the consistency of labour market reintegration requirements and data recording across the country. Ongoing efforts to standardize procedures are helping to reduce this variability, but challenges persist (World Bank n.d. c.).

- A further issue arises from the automatic inclusion of all unemployed individuals registered with the AFC in the BNE. As the **platform also contains people who are not actively looking for work**, employers report that candidate lists become less accurate. This, in turn, makes it harder for companies to identify suitable applicants for their vacancies.

- The **long duration of the previous contract** with the external platform provider, which ran from 2016 to 2024, **limited technical upgrades and created a backlog of modernization needs** that are only now being addressed under the 2025–2029 framework.

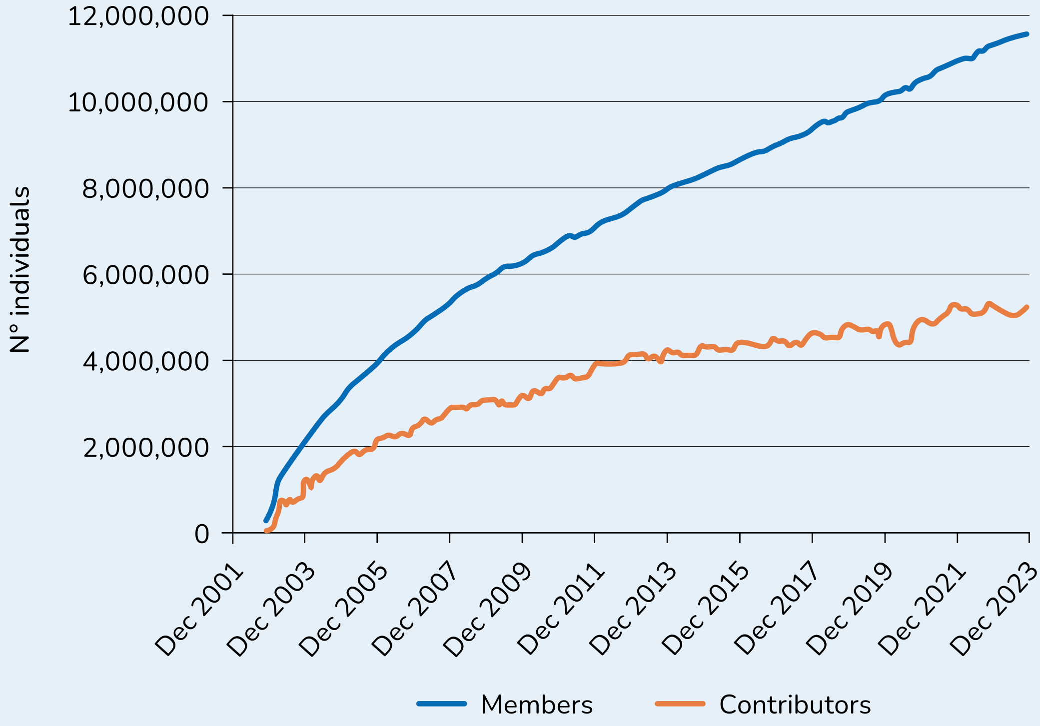
2.7 Results of the approach

As of December 2023, Chile's unemployment insurance system covered more than 11.6 million members and recorded approximately 5.2 million monthly contributors.[45] ▶ Figure 1 illustrates the evolution of the unemployment insurance membership and contributors over time. Between 2013 and 2023, the average annual growth rate was 4% for members and 2.3% for contributors (Superintendencia de Pensiones 2025).

45 The gap between the number of members and contributors reflects the different definitions applied: while members include all individuals who have contributed to the unemployment insurance at least once, contributors refer only to those who made contributions during the reference period.

Figure 1. *Number of members and contributors to unemployment insurance*

Source: Superintendencia de Pensiones (2025)



Despite these increases, the coverage of unemployment insurance among the economically active population remains low. This is largely due to the prevalence of informal employment (estimated at 26% in the third quarter of 2025) (Instituto Nacional de Estadístical 2025b), as well as the high share of self-employed who are legally excluded from the system. Low coverage is further driven by the short duration of employment contracts and high labour turnover, which, according to Instituto Nacional de Estadísticas estimates, affect around 30% of workers and often result in insufficient contribution records to qualify for benefits. As a consequence, the unemployment benefit system and the labour market (re-)integration measures linked to it offer substantially stronger protection to workers with higher incomes and more stable employment histories than to more vulnerable workers, who are also considerably more likely to experience unemployment (Garda and Caldera Sánchez 2025).

A further barrier to effectiveness is the low uptake of the FCS among eligible workers. For instance, in May 2024, more than 20% of workers with permanent contracts and around 30% of those with fixed-term contracts who were entitled to access the Fund did not opt into it. One of the main reasons for non-participation is the reluctance of unemployed individuals to register with the BNE and comply with the relatively strict requirements, such as mandatory job search and to accept the first suitable job offer (Comisión de Usuarios del Seguro de Cesantía 2024).

According to the latest available figures, the BNE has attracted a large user base of approximately 5.4 million registered users, while more than 115,000 employers are registered on the platform. The BNE was initially conceived as a mechanism to support beneficiaries of the FCS in fulfilling their obligation to actively search for employment, while simultaneously providing the primary instrument for monitoring compliance with this conditionality. Over time, it has evolved well beyond this original function. What began as a certification tool for job-search activity has developed into the digital backbone of Chile's public labour intermediation system, serving all jobseekers and employers, as well as public institutions at both central and local levels involved in the delivery of active labour market policies.

2.8 Way forward

At the time of writing, the modernization of the BNE under the 2025–2029 contract represents a strategic opportunity to consolidate recent advances and position the platform among the most modern public employment services globally (CCIL 2024a). New requirements introduced for the BNE's core functions aim to strengthen its role as the digital backbone of Chile's labour intermediation system. These include automated matching of job offers with applicants and training opportunities; follow-up mechanisms for job offers and interviews; integrated calendars and records of interviews and training; reporting tools for inappropriate behaviour; a catalogue of job skills and competencies; and functionalities for the delivery and tracking of job placement and training measures in accordance with Article 25 of Law No. 19,728.

In addition, the platform will generate management reports and provide an extranet for public users, improving transparency and coordination among institutions (CCIL 2024b). The integration of automation and artificial intelligence into manual and review processes will help streamline operations, improve data use, and support more proactive, personalized employment services (CCIL 2024a).

Further innovations include a new module for self-employed labour services, offering a marketplace for independent workers (such as caregivers, plumbers, and electricians), where users can hire, evaluate, and leave feedback (Chacón Cancino 2025). For the first time, these workers will be able to offer their skills through a formal and secure digital channel, displaying information such as service descriptions, prices, photographs, geo-location and verified user reviews. By increasing visibility and trust, this module aims to support the gradual formalization of casual and informal work. Beyond its technological innovation, the initiative seeks to enhance the recognition and dignity of these occupations by integrating them into the BNE.

More broadly, the modernization process will not only focus on technological upgrades, but also reaffirm a commitment to quality employment and decent work, ensuring that the BNE continues to evolve as a central instrument for inclusive and effective labour intermediation as part of broader efforts to strengthen employment policies (CCIL 2024a).

3 Supporting vulnerable groups to enter the formal labour market: Delivering employment subsidies with the help of the Social Registry

3.1 Introduction

Chile operates two major employment subsidies targeted at vulnerable groups in the labour market: the Youth Employment Subsidy (Subsidio al Empleo Joven, SEJ) and the Employment Subsidy for Working Women (Subsidio al Empleo de la Mujer Trabajadora, SMT), also known as Bono al Trabajo de la Mujer.[46] Both are administered by the National Training and Employment Service (Servicio Nacional de Capacitación y Empleo, SENCE) and provide incentives to workers as well as employers, encouraging formal employment and raising incomes for disadvantaged groups (MDSF 2023).

The **SEJ** was initiated in 2009 with the objective of increasing formal labour force participation and incomes among young people aged 18–24 from low-income households. The programme was conceived against the background of high inactivity and unemployment rates among young people relative to older populations. The SEJ can be received until the worker turns 25, provided eligibility conditions remain fulfilled (OECD 2024b).

46 The employment subsidies are currently undergoing a comprehensive reform process. Further information on the background to these reforms and the new policy directions is provided in ▶ Sections 3.6 and ▶ 3.7.

The SMT was created in 2012 to promote labour force participation among women, particularly those aged 25–59, who face barriers to entering or remaining in formal employment. The programme was introduced in response to Chile's persistent gender gaps in labour market participation and wage inequality. The SMT can be received for up to 48 months (four consecutive years) per beneficiary, provided eligibility conditions are continuously met (MDSF 2023).

To qualify for the subsidies, applicants must be formally employed with pension and health contributions up to date. Self-employed workers who pay their tax and social security contributions are also eligible for the subsidies. Persons employed by a government institution or by a company in which the government holds more than a 50% share are not eligible. Eligibility is further subject to income thresholds: For employees, gross monthly income must be below CLP 662,348 (approximately USD 720), or gross annual income below CLP 7,948,180 (approximately USD 8,640). For self-employed workers, gross annual income must also be below this threshold, and they must demonstrate compliance with tax obligations by issuing invoices and filing their annual tax return with the Internal Revenue Service (Servicio de Impuestos Internos, SII).

Moreover, applicants must belong to a household classified as socio-economically vulnerable according to Registro Social de Hogares (RSH) – Chiles' national social registry (▶ see Box 4). Applications can be made year-round through the SENCE website.

The subsidy corresponds to approximately 30% of registered gross wages, subject to a cap that is indexed to inflation rather than to the statutory minimum wage.[47] Payment modalities depend on the employment relationship. Dependent workers can choose between monthly or annual payments, while self-employed are only eligible for annual payments. Those who perform both dependent and independent work can combine both options (monthly for dependent income and annual for self-employment).

Employers can also apply for the subsidies. It is not mandatory for employers and workers to apply at the same time, as applications and payments are managed independently. Employers receive a monthly payment equivalent to one-third of the amount received by each of their employees who qualify for the subsidy.

A critical requirement for the continuation of the subsidy is the timely payment of social security and health contributions. If an employer fails to pay these contributions on time, they lose their benefit for the corresponding month. This situation also negatively affects the workers, as their subsidies are likewise suspended for that period. However, once the social security and health contributions have been paid, the employee is eligible to receive the subsidy.[48]

47 As a result, over time the real value of the subsidy has declined relative to wage levels, and today represents only a very small share of the minimum wage.

48 Details on the design of the subsidies were retrieved from official information published on the ChileAtiende platform of MDSF: https://www.chileatiende.gob.cl.

In 2024, a total of 299,193 young workers (158,212 males and 140,981 females) received the SEJ and 395,052 female workers benefited from the SMT. In addition, 673 enterprises received the employer subsidy under the SEJ, and 769 enterprises benefited from the employer subsidy for female workers.[49]

Both subsidies aim to tackle labour market segmentation and inequality. They supplement the income of vulnerable workers while offering employers financial incentives to hire and retain them. Their design reflects a dual strategy of social protection and labour market participation: enhancing inclusion, improving household incomes, and strengthening formal employment relationships. ▶ Table 2 provides an overview of the key design features of both subsidies.

Table 2. Key design features of employment subsidies provided by SENCE

	SEJ	SMT
Year introduced	2009	2012
Primary objective	To increase formal labour market participation and incomes of young people from low-income households	To promote labour force participation of women and reduce gender gaps in employment and wages
Target group	Young people aged 18–24 from socio-economically vulnerable households	Women aged 25–59 from socio-economically vulnerable households
Maximum duration	Until the beneficiary turns 25, provided eligibility conditions are met[50]	Up to 48 months (four consecutive years), provided eligibility conditions are met
Income thresholds	Gross monthly income below CLP 662,348 or gross annual income below CLP 7,948,180 (self-employed: annual threshold applies)	
Benefit level	Approximately 30% of registered gross wages, subject to an inflation-adjusted cap	
Payment modality (workers)	Monthly or annual payments for dependent workers; annual payments for self-employed workers; mixed modality allowed if both employment types apply	
Beneficiaries (2024)	299,193 young workers (158,212 men; 140,981 women)	395,052 female workers
Employers benefitting (2024)	673 enterprises	769 enterprises
Coverage as % of target population[51]	5%	16.6%

49 Details on coverage were retrieved from official information published by SENCE: https://sence.gob.cl/sence/anuarios-2004-2023.

50 The subsidy may be extended if the beneficiary demonstrates that they gave birth to a live child or if they meet the required number of semesters of tertiary education.

51 Garda and Caldera Sánchez (2025)

Box 4. The Social Information Registry (RIS) and the Registro Social de Hogares (RSH)[52]

The Social Information Registry (Registro de Información Social, RIS) under the Ministry of Social Development and Family (Ministerio de Desarrollo Social y Familia, MDSF) is an integrated social protection information system that consolidates data from multiple administrative sources. It brings together the Social Registry of Households (Registro Social de Hogares, RSH), specialized registries for specific target groups, beneficiary registries for the various social programmes administered by the MDSF, the municipal case management system (Gestión Social Local), and the monetary subsidy payment platform, all operated under the MDSF. In addition, the RIS integrates data from external sources such as the National Disability Register, the Vehicle Registry, the Income Tax Register, and Civil Registration records, among others.

Launched in 2007, the RIS has progressively expanded in scope and coverage. It currently contains information on approximately 8.7 million households, representing about 98% of the national population, and serves as a cornerstone of Chile's comprehensive social protection system, which encompasses 114 programmes implemented across 10 ministries.

As an integral component of the RIS, the RSH functions as Chile's official social registry. Established in 2016 as the successor to the Ficha de Protección Social, which was launched in 2006, it combines administrative data (such as civil registration, tax, health, and education records) with self-reported household information to assess and classify families according to their level of socio-economic vulnerability.

The RSH uses a socioeconomic score (clasificación socioeconómica, CSE) to assess the needs and conditions of registrants. The CSE infers income and assigns households to one of seven vulnerability brackets. The first bracket groups households that fall within the 40% most socioeconomically vulnerable, while the other six correspond to the top 60%, divided into groups of 10%. The thresholds for each bracket are defined using data from the latest available national household survey.

The ranking is a function of the sum of household income (using the last 12 months as the period of reference), corrected by a needs index that recognizes the ability of households to generate economies of scale and/or greater spending needs due to household members' age or disability. Income data come mainly from administrative records, but the household's self-reported income is considered if no records are found (for example, informal workers).

52 Based on Achá (2022)

An additional adjustment is applied to review the coherence between the observed income and the socioeconomic level inferred from access to specific goods or services, including vehicles, real estate, school tuition, and private health insurance (Karippacheril et al. 2024).

As of 2024, the RSH covers more than 85% of all households in Chile (approximately 17.1 million individuals) and serves as the eligibility reference for around 100 social programmes nationwide. Access to its data by institutions is strictly regulated through interinstitutional agreements, ensuring both targeting accuracy and compliance with data protection laws.

3.2 Institutional arrangements

The implementation of the SEJ and the SMT rests on close cooperation between SENCE and the MDSF. **SENCE** is responsible for programme administration, including providing application channels, verifying eligibility, calculating subsidy amounts, and managing payments. **MDSF** holds the overarching mandate to coordinate social programmes across ministries and agencies, which also extends to the employment subsidies managed by SENCE.

MDSF fulfils this role through two complementary functions:

- The Social Policy Division under the Undersecretary for Social Evaluation (Subsecretaría de Evaluación Social) provides technical assistance to public services to strengthen programme design and delivery, including support to SENCE, and conducts annual quality assessments of programme performance. These assessments are mandatory and influence budget allocation, while the uptake of technical assistance remains voluntary.
- In parallel, the Social Information Division (Division de Información Social), also located under the Undersecretary for Social Evaluation, manages the Social Information Registry (Registro de Información Social, RIS) and the RSH integrated therein (▶ see Box 4), and facilitates data exchange and use across public institutions.

Date exchange with SENCE operates in two directions. On the one hand, SENCE relies on the RSH to identify potential beneficiaries of the SEJ and SMT (for more details see description of the operational workflow in ▶ Section 3.4). On the other, it reports information on beneficiaries of the subsidies and other relevant social programmes under its responsibility back to the RIS, which also serves as an integrated beneficiary registry.

This feedback to the RIS allows the Ministry of Finance to consolidate administrative data across programmes, supports consistency checks (for example, flagging cases such as subsidies for women being paid to men), and helps to monitor the extent to which different groups are over- or under-covered. In addition to the employment subsidies, SENCE provides relevant information on 13 other active labour market programmes, including the Training Voucher for Active Workers (Bono de Capacitacion para Trabajadores Activos), the Micro and Small Business Take-off/Business and Enterprise Voucher (Despega Micro y Pequeña Empresa/Bono Empresa y Negocio), and the Training Scholarship Programme for recipients of the FCS (Becas FCS) (▶ see Box 3).

Data exchange between the MDSF and SENCE is governed by a comprehensive institutional agreement that formalizes the relationship between the parties and defines their respective responsibilities, the purposes and scope of bidirectional data exchange, the data variables involved, applicable interoperability standards and communication channels, data protection mechanisms, and designated points of contact. In practice, cooperation is complemented by ad hoc coordination meetings, convened when technical updates or adjustments are needed, for example, in response to changes in API specifications or additional data requirements. Agreements are updated periodically to reflect evolving needs.

3.3 Legal framework

The legal framework provides a strong foundation for coordination between MDSF and SENCE. The SEJ was established by Law N° 20.338 (2009) and the SMT by Law N° 20.595 (2012), both of which condition eligibility on household vulnerability status. The RSH was created by Law N° 20.379 (2009) as the official social registry for targeting social programmes. By law, any agency such as SENCE wishing to use RSH data must sign an agreement authorized by the Undersecretary for Social Evaluation of MDSF. These agreements specify the programmes concerned and the precise data fields required (Achá and Otey 2020). In the case of the SENCE employment subsidies, the legally relevant variable is the CSE of the household the applicant belongs to.

The data sharing agreement between MDSF and SENCE operates within the boundaries of Chile's data protection framework. Law N° 19.628 (1999) on the protection of personal data, recently updated by Law N° 21.719 (2024), establishes that only the information strictly necessary for the functioning of a programme may be processed and exchanged, in line with the principle of data minimization.[53] To give effect to these requirements, agreements include confidentiality clauses, access restrictions, and provisions for traceability and auditability, ensuring that all data requests and transfers can be monitored.

53 While the Privacy Act does not require consent from individuals to process their data when a law permits it, which is the case for the Ministry and the institutions with which it interoperates, there is a practice of obtaining informed consent when individuals register with the RSH and other social information systems.

3.4 Operational workflow[54]

The operational workflow is as follows.

Step 1
Application for employment subsidies

The process for accessing the SEJ and the SMT is very similar and begins with an application through several entry points: the dedicated SENCE online platform, the online platform Ventanilla Única Social (VUS) (▶ see Box 5) or the ChileAtiende online portal, which redirect applicants to SENCE's website, or in person at ChileAtiende offices. Additionally, jobseekers may receive information and support through the network of 315 OMILs. These multiple access channels are designed to maximize outreach and accessibility.

Step 2
Initial assessment of eligibility

Applicants log in to the SENCE platform using their ClaveÚnica. At this stage, the system automatically performs pre-checks of eligibility criteria by connecting to other state databases: age, gender and identity are verified with the Civil Registration and Identification Service (Servicio de Registro Civil e Identificación), while the applicant's CSE is confirmed through the RSH. If the requirements are not met, the system immediately flags the ineligibility and specifies the reason.

Step 3
Submission of application

If the applicant passes the pre-checks, they move on to completing the online application form, providing personal, contact, and employment details, selecting their payment modality (monthly or annual), and designating a preferred payment channel.[55] Once submitted, applicants receive an automatic message confirming that their application is being processed.

54 The process description is based on: https://cdn-site.sence.gob.cl/sites/default/files/manual_trabajadores_sistema_postulacion_sej_2023.pdf

55 SENCE recommends opting for annual payments and direct deposits into a BancoEstado CuentaRUT, which helps ensure timely and reliable processing.

Step 4
Additional cross-checks to verify eligibility

Once the application is submitted, it is registered in the system as “*en trámite*” (in process). At this point, further cross-checks are carried out by SENCE before approval, including the following:

- Verification that the applicant is not employed by a public institution is carried out based on data provided by the Contraloría General de la República.
- In the case of the SEJ, confirmation that the applicant is a student and has completed at least the final year of secondary education (12th grade) is performed using information from the Ministry of Education.
- For self-employed workers, data from the SII are used to verify their declared annual income and compliance with tax and contribution obligations.
- The verification of income thresholds and compliance with social security contributions, for both employees and self-employed workers, is conducted through Previred, the unified online platform service for declaring and paying social security contributions.

Step 5
Approval (or rejection) of application

The approval or rejection of an application is communicated according to a published processing calendar, with the first payment made either monthly or annually depending on the applicant’s choice. Beneficiaries can monitor the status of their application and subsequent payments through the Expediente Electrónico on the SENCE platform, which provides a history of applications, payment records, and an option to update personal or banking details.

Box 5. The One-Stop Social Service Centre (Ventanilla Unica Social, VUS)[56]

The Ventanilla Única Social (VUS) is Chile's central digital portal for accessing social protection programmes and benefits. It was developed by the Ministry of Social Development and Family to provide citizens with a single point of entry to information and application services for a wide range of subsidies, allowances, and registries.

Through the VUS portal individuals can:

- Consult their social protection status: Users can review whether they are registered in the RSH, their CSE, and eligibility for various social programmes.
- Initiate inclusion in the RSH: Users can request registration in the RSH if the household is not yet included.
- Apply for programmes: The portal integrates application pathways for multiple subsidies and social programmes, including housing allowances, family benefits, and employment-related subsidies like the SEJ and SMT.
- Track benefits and payments: Citizens can monitor whether they are beneficiaries of specific programmes, the status of their applications, and, in some cases, payment schedules.

By consolidating multiple entry points into a single user-friendly interface, the VUS supports accessibility, transparency, and efficiency in the delivery of social protection. It also plays a critical role in ensuring that vulnerable households are aware of the benefits they may qualify for and can apply without navigating a fragmented institutional landscape.

Employers can also apply independently to receive their share of the subsidy, without needing to coordinate their application with employees. If contributions are not paid on time, both the employer's and the worker's subsidies are suspended for that month.

3.5 Key elements of digital interoperability

Digital interoperability is facilitated by Chile's Integrated Platform for Electronic Government Services (Plataforma Integrada de Servicios Electrónicos del Estado, PISEE), which acts as the backbone for secure government-to-government data exchange. The interoperability network operates through a system of secure, direct Internet connections established between interoperability nodes hosted within the IT infrastructure of

56 Description based on information retrieved from the website of the VUS: https://www.ventanillaunicasocial.gob.cl/.

participating public institutions. Acting as data providers and/or consumers, these entities can exchange and transmit information, documents, and electronic files efficiently and securely through their respective electronic platforms (Rahbari 2025a). Within SENCE, the digital infrastructure for administering subsidies includes the user interface, an approval module, used during registration to store all relevant applicant data, and a payment module, used to calculate payments based on the available data.[57]

The main modality for data exchange between SENCE and the MDSF is an on-demand API query, in which SENCE's system requests RSH (▶ see Box 4) information at the moment an application is submitted and receives an immediate response confirming eligibility. Queries are made using the national unique identification number (RUN). These exchanges are encrypted, authenticated, and fully traceable; every query is logged in the interoperability platform's registry for auditing and accountability.

Once a month, SENCE also coordinates with Previred to verify the contribution status of approved applicants. A list is sent to Previred containing the identification details of all individuals whose applications were successfully processed. Previred then returns information on all social security contributions made on behalf of these individuals. This data exchange is not automated.

The feedback from SENCE to the RIS (▶ see Box 4) is done via batch transfers. SENCE periodically compiles structured beneficiary files and uploads them to the RIS, generally at least once per year. This approach ensures the availability of consolidated and good-quality data, although it introduces some delay compared to real-time exchanges, which may lead to outdated data in the RIS.

3.6 Critical success factors and remaining challenges

Several factors have contributed to the successful collaboration between the MDSF and SENCE in delivering employment subsidies, including the following:

- The existence of a **solid legal framework for data sharing** between the MDSF and SENCE has been essential to enable secure and transparent interoperability. This framework provides legal certainty for the participating institutions while safeguarding citizens' personal data.
- **Online access to verified administrative data from the RSH** allows real-time verification of eligibility criteria when applicants register for SENCE employment subsidies. This prevents frustration among individuals who do not meet programme requirements and might otherwise be informed only after long waiting periods (Achá 2022).

---

57 For the SEJ, payment calculations are conducted using STATA. However, at the time of the study, SENCE was in the process of developing a dedicated payment module to automate and streamline payment processes.

- Real-time data exchange has significantly contributed to the efficiency of subsidies. The ability of institutions such as SENCE and the MDSF to share verified data instantly supports faster decision-making and higher-quality service delivery.
- The Integrated Platform for Electronic Government Services (PISEE) facilitates inter-institutional collaboration between the MDSF and SENCE, promoting data sharing and coordination across government bodies. It enhances communication and operational efficiency among the two administrative entities (Rahbari 2025a).

Despite this progress, several challenges persist that need to be addressed in the future:

- From SENCE's perspective, the information needed to design and implement labour-market programmes such as employment subsidies remains dispersed across multiple institutions, including the MDSF, the Ministry of Education, and social-security entities, for example, each requiring separate agreements to share data. This fragmentation can delay decision-making processes and increases SENCE's administrative burden. The RIS has helped reduce fragmentation, but further improvements are needed.
- The new Digital Transformation Act, which is being implemented progressively between 2022 and 2027, mandates higher levels of interoperability across public institutions, ensuring that citizens no longer have to provide information already held by the State. Meeting these requirements will demand both technical and organizational enhancements at SENCE and the MDSF.
- The new Data Protection Law, which will become fully effective in December 2026, introduces a more comprehensive data protection framework, requiring more rigorous monitoring of API usage, detailed logging of queries, and full traceability of data requests. While these are essential safeguards, they will also require institutional and technical adjustments of the data exchange between MDSF and SENCE to ensure sustained compliance with the new standards.
- The growing use of RSH data by SENCE and by the Subsecretary of Labour (Subsecretaría de Trabajo) within the Ministry of Labour and Social Welfare is stretching current information-exchange arrangements. This underscores the need for a stronger coordination strategy and more flexible data-sharing agreements that can adapt to evolving institutional and programme requirements.

Additional challenges affecting the effectiveness of the subsidies are discussed in the following ▶ Section 3.7.

3.7 Results of the approach

Evaluations suggest that employment subsidies have been partly successful in increasing employment and reducing informality among vulnerable groups (Garda and Caldera Sánchez 2025). One evaluation of the SEJ tracked workers who received their first payment between 2012 and 2013 for 24 months or until they turned 25. The study found that the impact of the subsidy on the probability of formal employment is around 3 percentage points on average (OECD 2024c). An evaluation of the SMT indicates that the programme generates positive effects for its beneficiaries, both in terms of formal labour market participation and earnings. On average, participation in the programme increases the probability of making formal social security contributions by around 4.6 percentage points compared to non-beneficiaries (SENCE 2022).

Another study indicates that the SEJ has a clear and consistent positive impact on employability, increasing the probability of employment among young beneficiaries by around 7 to 10 percentage points, compared to non-beneficiaries, across most regions of the country. In contrast, the SMT shows a more modest effect, raising the probability of employment by approximately 2 to 3 percentage points, with statistically significant results observed only in selected regions (Oyarzo and Ferrada 2024).

Despite these positive impacts, the two employment subsidies face a number of structural challenges that have led to calls for their modernization:

- The subsidies do not prioritize individuals experiencing prolonged periods of unemployment, limiting their effectiveness in supporting those who face the greatest barriers to entering and remaining in formal employment.
- Older workers and persons with disabilities are not explicitly identified as priority groups, despite facing well-documented difficulties in accessing and retaining formal employment.
- The current subsidy amounts are widely considered insufficient to generate meaningful incentives for the creation of new formal employment relationships. At present, the combined subsidy represents only around 7.7% of the minimum wage, split between workers and employers, which significantly weakens its impact on hiring decisions.
- The duration of the subsidies is relatively long (up to four years for the SMT and up to seven years for the SEJ) raising concerns about efficiency and additionality.
- Rigid regulatory frameworks have constrained the ability of both subsidies to adjust to major labour market disruptions, including the COVID-19 pandemic, natural disasters, and large-scale firm closures.

- The combination of low subsidy amounts and administrative complexity has made the programmes more attractive to employers only when applied to a large number of workers. As a result, the employer incentive is disproportionately captured by large enterprises, which account for more than 95% of subsidized employment relationships where both worker and employer receive the subsidy, raising concerns about equity and cost-effectiveness.

At the same time, there is broad agreement that the use of the RSH as the targeting instrument has been effective in identifying socio-economically vulnerable households and ensuring that the subsidies are largely directed towards their intended population.

3.8 Way forward

At the time of writing, broader policy reforms are under way to merge existing employment subsidies into a unified employment subsidy system (República de Chile 2025). The main objective of the proposal is to incentivize hiring and labour market participation in the formal economy, with a particular focus on micro, small and medium-sized enterprises. The initiative allows both workers and employers to apply for the subsidy, subject to eligibility criteria. These include a gross monthly income threshold of up to 2.25 times the minimum wage, a verified period of unemployment (6 continuous months or 8 discontinuous months within the past 18 months), and belonging to the bottom 40 to 60% of households according to the RSH.

The unified subsidy will prioritize young people (18–24 years), women (25–54 years), older workers (55 years and above), and persons with disabilities registered in the National Disability Register. Eligible workers may receive a subsidy of up to 20% of their gross monthly wage for a maximum of 12 months, or 15 months in the case of persons with disabilities. The benefit is graduated by income bracket and calculated using predefined formulas. Employers hiring workers from the priority groups are also entitled to a subsidy of up to 20% of the worker's gross wage for 12 months, extendable to 15 months for micro and small enterprises.

To qualify for the employer subsidy, firms must have a valid employment contract, comply with labour and social security obligations, have had no employment relationship with the worker in the previous 12 months, and have no convictions for anti-union practices or misuse of subsidies. The maximum number of subsidized workers per firm is set at 200, except in cases where the worker applies directly.

SENCE will be responsible for administering the new unified employment subsidy system, including the operation of a digital platform for applications, calculation and monitoring, while the Superintendent of Social Security (Superintendencia de Seguridad Social) will oversee implementation and issue general regulatory guidelines (Senado de la República de Chile 2026).

Access to the unified system could in future be provided directly through the VUS (▶ see Box 5), with SENCE developing a dedicated management platform integrated into it. Through these changes, collaboration and digital interoperability between SENCE and the MDSF are expected to further increase.

Overall, the reform aims to simplify access, reduce administrative complexity, and improve efficiency in application, approval, and payment procedures. The new system also seeks to promote decent work by fostering the creation of productive, sustainable, and inclusive employment, while upholding labour rights, preventing discrimination, and strengthening social dialogue.

4 Conclusion

Chile's experience demonstrates how sustained political commitment, robust overall and sectoral legal frameworks for data sharing, and continued investment in digital infrastructure can enable effective collaboration between institutions responsible for employment services and social protection. Across both use cases presented here, digitalization has contributed to improved coordination and cooperation between the relevant institutions and improved user experience.

Challenges remain, however. Institutional fragmentation, growing demand for real-time data, and evolving data-protection requirements highlight the need for continued investment in interoperability. The progressive implementation of the new Digital Transformation Act and the Data Protection Law, as well as the planned enhancements to the BNE (▶ see Section 2.7) and the ongoing reforms of the subsidy management systems (▶ see Section 3.7) offer an opportunity to consolidate these advances and move toward a more integrated, citizen-focused digital ecosystem for employment and social protection in Chile.

Digital Convergence USP2030

Annex 2

Country case study: **Republic of Korea**

Contents

Executive summary ... 108

1 Background ... 111

2 Connecting income support and labour market reinsertion: Seamless delivery of unemployment insurance and employment services under a unified digital information system ... 113

2.1 Introduction ... 113
2.2 Institutional arrangements ... 116
2.3 Legal framework ... 119
2.4 Operational workflow ... 120
2.5 Key elements of digital interoperability ... 121
2.6 Critical success factors and remaining challenges ... 122
2.7 Results of the approach ... 123
2.8 Way forward ... 124

3 Supporting social assistance beneficiaries into employment: Leveraging co-located service delivery and digital interoperability ... 125

3.1 Introduction ... 125
3.2 Institutional arrangements ... 126
3.3 Legal framework ... 128
3.4 Operational workflow ... 129
3.5 Key elements of digital interoperability ... 132
3.6 Critical success factors and remaining challenges ... 132
3.7 Results of the approach ... 134
3.8 Way forward ... 134

4 Conclusion ... 137

Figures, tables and boxes

Figure 1. Overview of the social protection system 111
Figure 2. Standard jobseeker support process in EWPCs 131

Table 1. Information systems integrated in Work Plus. 118
Table 2. Distribution of workers with and without employment insurance as a percentage of employed people (%). 124

Box 1. Employment24 – Korea's Integrated Employment Service Platform 115
Box 2. Integrated service delivery and case management through the Employment Welfare Plus Centres (EWPCs) 116
Box 3. The Social Security Information System – Happiness e-Eum. . . . 127
Box 4. Integrated case management within the Employment Welfare Plus Centres (EPWCs) 130
Box 5. The National Employment Service Programme (NESP) 135

Executive summary

This case study examines how the Republic of Korea has strengthened coordination between social protection and public employment services (PES) through digital interoperability. It focuses on two main use cases: (1) Connecting income support and labour market reinsertion: Seamless delivery of unemployment insurance and employment services under a unified digital information system, and (2) Supporting social assistance beneficiaries into employment: Leveraging co-located service delivery and digital interoperability.

This case study contributes to a broader analytical report, *Linking Social Protection and Public Employment Services (PES) Through System Interoperability,* produced under the Digital Convergence Initiative (DCI), which examines how digital interoperability between social protection systems and PES can improve service delivery and labour market outcomes.

Use case 1: Connecting income support and labour market reinsertion: Seamless delivery of unemployment insurance and employment services under a unified digital information system

The Republic of Korea links unemployment benefits under the Employment Insurance System (EIS) to active labour market participation through an integrated digital platform. Beneficiaries are required to register as jobseekers, participate in counselling and training, and demonstrate active job search as a condition for receiving benefits. The system is built around the Employment24 platform, which consolidates previously separate employment information systems into a single interface. It includes modules for jobseeker registration, benefit administration, vacancy management, counselling and case management, and participation in training and active labour market programmes (ALMPs). By linking these functions within one system, the platform enables the exchange of information on benefit status, job-search activity, and programme participation, supporting compliance monitoring and coordinated service delivery.

Overall, this approach has strengthened the link between income support and activation measures, while improving the coordination and efficiency of employment services. The requirement to register as a jobseeker as a precondition for receiving unemployment benefits has increased engagement with employment services and facilitated job matching and participation in labour market programmes. The consolidation of services within Employment24 is expected to further enhance accessibility by providing a single entry point for benefit administration, job matching, and activation measures, while reducing administrative burdens through the “once-only” principle and more automated processes. At the same time, the coverage of the EIS has expanded in recent years, although important gaps remain for certain groups, including women, older workers, and those in non-standard forms of employment.

Looking ahead, efforts to expand relevant data exchanges between Employment24 and other relevant information systems will continue while ensuring compliance with data protection legislation. In parallel, the government aims to streamline the use and processing of data from multiple sources and apply data validation frameworks to establish a single source of truth. These improvements are expected to support the delivery of more responsive services for jobseekers and employers, as well as strengthen monitoring, evaluation, and evidence-based policymaking. In parallel, policy measures aim to expand coverage and complement contributory benefits with non-contributory support.

Use case 2: Supporting social assistance beneficiaries into employment: Leveraging co-located service delivery and digital interoperability

The Republic of Korea supports vulnerable groups through social assistance provided under the National Basic Livelihood Security (NBLS) system, which is linked to employment services through activation requirements. Within this framework, adults aged 18 to 64 without severe disabilities or caregiving responsibilities are classified as conditional beneficiaries and are required to participate in workfare, training, or other employment-related activities to continue receiving support. This establishes a structured link between income support and labour market insertion.

This coordination is underpinned by an integrated digital infrastructure. The Happiness e-Eum system serves as the backbone of the NBLS, enabling automated eligibility checks and supporting follow-up, including through data exchange with Employment24. The Ministry of Health and Welfare (MoHW) uses employment-related data, including insured status from the Ministry of Employment and Labor (MoEL), to assess eligibility, while the MoEL draws on social assistance data to identify and support vulnerable groups in the labour market. In addition, the Bokjiro platform provides a citizen-facing interface for applications and status tracking, facilitating smooth access and transparency.

A distinct feature of the Korean system is the role of Employment Welfare Plus Centres (EWPCs), which serve as local one-stop shops bringing together employment and welfare services. Staff in these centres use Work Plus – an integrated digital case management system that supports eligibility checks and data verification across multiple administrative databases – to enable coordinated case management, including counselling, referrals, and follow-up, and to link beneficiaries to appropriate services and benefits.

Overall, the interoperability of digital systems has significantly improved administrative efficiency and transparency. Automated data exchange has reduced processing times for eligibility determination and enabled more consistent verification of beneficiary information across programmes. At the same time, the co-location of services through the EWPCs and the use of the integrated digital case management system Work Plus has strengthened coordination at the operational level, facilitating the delivery of employment and welfare services in a more user-centred manner. However, despite these improvements in system efficiency and service coordination, labour market outcomes remain limited for many beneficiaries, pointing to the need for more effective and tailored activation measures.

Looking ahead, policy efforts are increasingly focused on addressing these gaps through expanded and more tailored support. The introduction and scaling up of the National Employment Support Programme (NESP) represents a key step in this direction: the programme provides income support combined with personalized employment services for individuals not covered by unemployment insurance or social assistance. It is based on individual action plans developed through counselling, linking beneficiaries to training, work experience, and job placement services, while conditioning benefit receipt on active participation in job-search activities. The programme is integrated within the Employment24 system, allowing both jobseekers and case managers to manage applications, service delivery, and follow-up through a single digital interface.

1 Background

The Republic of Korea has undergone one of the most remarkable economic transformations of the past century. In 1950, it ranked among the poorest countries in the world, with a per capita gross domestic product (GDP) of only USD 854. From the 1960s through the late 1990s, the country achieved an impressive annual growth rate of around 10%, transitioning from an agrarian economy to a highly industrialized, technology-driven nation (Lee 2015). According to the latest data from the World Bank, by 2024 Korea's nominal GDP had reached approximately USD 1.7 trillion, with a per capita income of more than USD 33,000.

As the economy expanded, so too did Korea's social protection system. During the 1970s and 1980s, national policy focused primarily on economic growth, and public welfare programmes were largely limited to contributory forms of social insurance. With continued growth and democratization in the late 1980s, the government began to invest more substantially in welfare and introduced new programmes (Lee 2015). Today, the social protection system is made up of three pillars: (1) social insurance, including unemployment insurance (introduced in 1995); (2) social services, including childcare support; and (3) public aid, including the National Basic Livelihood Security (NBLS) system (introduced in 1999) (▶ Figure 1) (World Bank, n.d. a.).

Figure 1. *Overview of the social protection system*

Source: Lee (2015)

Framework Act on Social Security

Social insurance

- National Health Insurance
- National Pension Scheme
- Employment Insurance
- Industrial Accident Compensation Insurance

Social service

- Long-Term Care Insurance
- Child care
- Social services electronic vouchers
- Activity support for the disabled

Public aid

- National Basic Livelihood Security System
- Basic Pension
- Pension for Persons with Disabilities

Early adopters of unemployment insurance in advanced economies tended to place strong emphasis on income protection. In contrast, the Korean model was conceived as a response to employment displacement resulting from business closures and mass layoffs. From its inception, it incorporated an explicit focus on labour market insertion measures to facilitate re-entry into the labour market, treating these objectives as equally important to the provision of income support (OECD 2023). Accordingly, the Korean approach was designed from the outset to establish a strong and deliberate linkage between unemployment benefits and employment services.

Despite Korea's economic progress, structural challenges persist in the labour market: In 2024, the country's employment rate stood at 63.3%, with an unemployment rate of just 2% (DCI 2025a). These figures suggest relatively low open unemployment, but also a labour market operating below its potential. A substantial share of working-age Koreans remains outside the labour force, and employment stability is limited: around half of all workers stay in their jobs for fewer than six years. Non-regular employment, which includes temporary, part-time and atypical jobs (e.g. daily workers, contractors, temporary agency), accounts for about a third of salaried employment, with substantially higher shares among youth, older workers and women. Currently, non-salaried workers (self-employed and unpaid family workers) make up about a quarter of the employed population in Korea (OECD 2023).

These structural weaknesses increase the risk of income insecurity and make certain groups particularly reliant on welfare support. Among those facing higher vulnerability are people with disabilities, young unemployed or inactive individuals, low-educated workers, older persons, and women taking a career break, many of whom have care responsibilities that limit their labour market participation (OECD 2024d).

With the fastest-ageing population among OECD countries, mobilizing people into productive employment has become a critical policy priority for Korea (OECD 2023). Korea's fertility rate has dropped to 0.72 while the population continues to age at a rapid pace (DCI 2025a), shrinking the domestic labour force and increasing the dependency ratio. Sustaining economic growth and sustainable financing of the social protection system in this context will depend on improving labour market participation, especially among women, older persons, and other underrepresented groups.

Building on lessons from the years preceding and during the pandemic, the Korean government has launched a reform process to simultaneously strengthen contributory and non-contributory income support for unemployed persons and labour market insertion measures to keep displaced workers connected to the labour market and to mobilize the inactive population to sustain the labour supply and economic growth in the years ahead. Against this background, this country case study presents two use cases that illustrate how institutional collaboration between ministries and agencies in the fields of social protection and employment policy has supported these reform efforts, underpinned by enhanced digital interoperability.

2 Connecting income support and labour market reinsertion: Seamless delivery of unemployment insurance and employment services under a unified digital information system

2.1 Introduction

The Republic of Korea introduced its Employment Insurance System (EIS) [고용보험] in 1995. The EIS combines a traditional unemployment benefits programme with a range of active labour market policies (ALMPs) designed to prevent unemployment and promote re-employment. For this reason, Korea refers to it as "employment insurance" rather than "unemployment insurance" (Yoo n.d.). The EIS is based on contributions and includes unemployment benefits, maternity and parental leave benefits, job retention programmes, re-employment programmes, vocational training and skill development programmes (ILO 2024b).

The system covers most wage workers under the Labour Standards Act, with some exceptions such as short-term daily workers and certain categories of agricultural labourers. Since the early 2000s, coverage has gradually expanded, including voluntary enrolment for the self-employed and, more recently, special types of workers such as platform workers (ILO 2021d).

Under the EIS, two main types of unemployment benefits are offered (World Bank, n.d. b.):

- The Job-Seeking Allowance (JSA) [구직급여] provides income replacement during periods of unemployment, helping to maintain workers' living standards and support their reintegration into employment. The benefit is neither means-tested nor taxable. Eligibility requires 180 days of contributions within the preceding 18 months. The allowance amounts to 60% of the insured worker's average daily earnings during the three months prior to unemployment, subject to a minimum of 80% of the statutory minimum wage and an established ceiling. The benefit duration depends on both the insured period and the claimant's age, ranging from 120 to 270 days. Extended benefits may be granted in specific situations: up to two years for participation in vocational training recommended by the job centre; up to 60 additional days for individuals facing particular difficulties in finding re-employment and in need of continued support; and up to 60 additional days during periods of adverse labour market conditions, such as a significant rise in the unemployment rate.

- In addition, the system provides several Employment Promotion Allowances [취업촉진수당], designed to shorten unemployment spells and support rapid reintegration. These include: (1) the Early Re-employment Allowance, paid if the claimant finds a new job before using up half of the entitlement period and stays employed for at least one year; (2) the Vocational Skills Development Allowance, which covers costs such as transport and meals for those attending training designated by the job centre; (3) the Wide-area Job-Seeking Allowance, which reimburses expenses for job search activities outside the claimant's area of residence; and (4) the Moving Allowance, which covers relocation costs when moving to take up employment or training.

The EIS is funded through mandatory contributions from both employers and employees. Employees contribute 0.9% of their gross annual wages, while employers contribute 0.9% toward unemployment insurance, plus an additional 0.25% to 0.85% of their total annual payroll for skills development, depending on the type of business and its associated risk category. Participation by the self-employed is voluntary, with a contribution rate of 2.25% of declared income (Asenjo and Pignatti 2019).

Approximately 15.6 million wage-employed workers are currently insured with the EIS, and 1.8 million received unemployment benefits in 2024. Since 2006, self-employed persons have been able to join the scheme on a voluntary basis (with about 53,000 insured in 2025). In response to the labour-market disruptions caused by the COVID-19 pandemic, Korea began expanding the scheme to non-standard workers, including artists (from December 2020), specific occupational categories (from July 2021), and platform workers (from January 2022). These groups accounted for approximately 1.8 million insured persons in 2023 (DCI 2025a).

A distinctive design feature of the EIS is the tight coupling of unemployment benefits with ALMPs. Claimants must demonstrate active job search and attend training or counselling as required. This is operationalized through an integrated approach, with regular reporting and compliance monitoring, ensuring that the EIS functions not only as a safety net, but also as a mechanism for labour market insertion. The scheme is managed via the Employment24 platform (▶ see Box 1)

Box 1. Employment24 – Korea's Integrated Employment Service Platform[58]

In 2023, the Korea Employment Information Service (KEIS) – a public institution under the Ministry of Employment and Labor (MoEL) responsible for developing and managing Korea's employment information systems – launched Employment24 [고용24]. This integrated platform for employment services consolidates over 700 data connections across nearly all ministries and public agencies, enabling real-time information exchange and more efficient, responsive service delivery.

Through Employment24, individuals seeking employment can apply for, track, and manage employment-related and other relevant public services anytime and anywhere. For these purposes, the platform integrates the core functions of nine previously separate employment information systems, including:

- The WorkNet platform, which provides jobseekers with job postings, and recruiting employers with candidate profiles; it also makes use of new digital technologies such as AI and big data
- The Human Resource Development (HRD)-Net, which provides vocational training and education programmes for self-directed job skills development
- The Employment Insurance benefits portal, which provides reporting and allowance application services for unemployment benefits, maternity protection, employment stability, employment retention, etc.; the system also provides eligibility prechecks for unemployment benefits and pre-estimation of benefits
- The portal of the National Employment Support Programme (NESP), which provides comprehensive employment and livelihood support services for disadvantaged groups,[59] thereby assisting in their job-seeking endeavours and stabilizing their livelihoods (▶ see Box 5)

In addition to the client-facing interface, Employment24 offers administrators a consolidated back-office system that brings together each claimant's history, covering benefit status, training enrolments, and records of previous job search activities. This integrated view enables caseworkers to monitor compliance more effectively, apply warnings or sanctions where necessary, and coordinate referrals to income support, training opportunities or job placements in a timely and consistent manner.

The system also enables cross-checks with a large number of external databases, including the Happiness e-Eum Social Security Information System (사회보장정보시스템) run by the Ministry of Health and Welfare (MoHW) (▶ see Box 3).

58 Based on KEIS (2024).

59 Low-income individuals seeking jobs, unemployed youth, women returning to the workforce after career breaks, etc.

2.2 Institutional arrangements

Policy oversight of the unemployment insurance lies with the Ministry of Employment and Labor (MoEL). The MoEL sets contribution rates, benefit levels, and labour market insertion measures under the Employment Insurance Act (see below). The actual fund administration for the EIS is handled by the Korea Workers' Compensation & Welfare Service (COMWEL) under MoEL supervision. COMWEL administers the registration of employees and the collection of contributions, in addition to making decisions on compensation, benefits and payments (ILO 2024b). Meanwhile, KEIS develops and maintains the underlying information system, Employment24 (▶ see Box 1). KEIS also provides labour market information and AI-based matching tools to enhance service delivery.

Control of the EIS is ensured through the Employment Insurance Committee, a tripartite governance body composed of representatives of employees, employers, the government, and public interest experts. The Committee is responsible for reviewing and advising on improvements to the insurance system and its programmes, determining contribution rates in accordance with the Insurance Premium Collection Act, and evaluating the performance and effectiveness of insurance operations.

At the de-central level, frontline staff at State Job Centres and Employment Welfare Plus Centres (EWPCs) (▶ see Box 2) operated by the MoEL in cooperation with local governments act as both benefit officers and career counsellors, ensuring that when a person applies for unemployment benefits, they are immediately guided into re-employment activities, including counselling, job search support and training. The governance structure, thus, directly intertwines the social protection function (income support) with employment service functions (placement, training), under a unified administrative umbrella (OECD 2024d).

Box 2. Integrated service delivery and case management through the Employment Welfare Plus Centres (EWPCs)[60]

A key institutional innovation to strengthen coordination between social protection and employment services in Korea has been the establishment of the Employment Welfare Plus Centres [고용복지+센터]. These are co-located offices where State Job Centres and local welfare offices under municipal governments and the Ministry of Health and Welfare work side by side. They were introduced to overcome the fragmentation of service delivery, which previously forced citizens to visit multiple offices for different

60 Based on MoEL (2024), OECD (2024d) and World Bank (n.d. a.)

types of support. By bringing services together under one roof, the centres make it possible for unemployed people and low-income households to access unemployment benefits, employment counselling and placement, referral to relevant ALMPs, and basic livelihood assistance (▶ see Section 3) in a single location.

The institutions participating in EWPCs carry out their respective tasks individually, but aim to collaborate to solve the problems of individuals facing complex and intricate situations. For such cases, the staff of different organizations build case management consultive groups to discuss the support they deliver.

EWPCs are structured into employment services, welfare support services and micro finance support:

- Most employment services are provided by Employment Centre staff under the MoEL, who deliver customized employment support, e.g. job counselling and referring jobseekers to ALMPs. Employment Centre staff are available to support all jobseekers, irrespective of age and labour market barriers. In addition, staff from other organizations, including non-government organizations (NGOs), provide services and ALMPs to groups with labour market vulnerabilities.

- Welfare support is typically provided by staff from local governments. Services include welfare counselling, the possibility to submit applications for public welfare benefits (▶ see Section 3), referral to private welfare services and dedicated case management.

- Finally, support with personal finances is provided by the EWPC's Financial Centre, which provides assistance to people with financial difficulties and low credit ratings.

The network has expanded rapidly: Today, more than 100 of the 174 Employment Centres operate as EWPCs. Since 2023, some of these centres have been upgraded into an Integrated Network of Employment Services, broadening their scope to also include financial counselling and mental health services, in addition to traditional labour market and welfare support.

This evolution has been supported by enhanced information sharing between the relevant government information systems through a dedicated data exchange platform, called Work Plus. The system serves both, users and service providers of the EWPCs. Jobseekers can access job information and learn about announcements from their local EWPC. Service providers can manage cases and refer them to other participating agencies.

As shown in ▶ Table 1, Work Plus provides relevant data from standard employment services databases (Employment24, Local Job Database, a women's re-employment database, and a veterans employment database), along with individual-level welfare benefit histories and economic statuses from Happiness e-Eum (the local welfare database), the Microfinance Database (DB), and the Self-Sufficiency DB to facilitate integrated case management. In practice, Work Plus accesses relevant service-history and benefit data from these information systems so that caseworkers see both welfare and employment histories when assessing a client.

A **two-way referral function** has been introduced, enabling staff to electronically refer clients to counterpart services: for example, a welfare caseworker can refer a household member to employment services, while an employment counsellor can trigger an electronic referral for a jobseeker to apply for livelihood assistance. This functionality reduces duplication, shortens processing times, and ensures that citizens are seamlessly guided across institutional boundaries. Workers across welfare and employment services can also use the **messaging platform provided by Work Plus** to effectively communicate with each other via chat.

Work Plus is used during initial consultation, referral, and monitoring. The case management process is described in more detail in ▶ Box 4. However, job-related information is mainly provided by Employment24 (▶ see Box 1), and welfare-related information is mainly provided by the Happiness e-Eum system (▶ see Box 3).

Table 1. Information systems integrated in Work Plus

Type of service	Agency	Information system	Goal
Employment service	Ministry of Employment and Labor	Employment24 (▶ see Box 1)	Provide key services such as job matching, vocational training, and unemployment benefits for jobseekers and employers
	Municipality government	Local Job DB	Provide information on regional job openings
	Ministry of Patriots and Veterans Affairs	Veterans Employment Information Network	Provide information on job openings and training opportunities for veterans
	Ministry of Gender Equality and Family	Saeil (Women's Re-employment)	Provide information on job openings and training opportunities for women out of the labour force

Welfare or finance service	Ministry of Health and Welfare	Happiness e-Eum (▶ see Box 3)	Provide welfare programme benefit status and eligibility information
	Ministry of Health and Welfare	Self-Sufficiency DB	Provide benefit status and eligibility information for supplemental income programmes
	Korea Inclusive Finance Agency	Microfinance DB	Provide microcredit with low interest rates to startups and small businesses

Source: World Bank (n.d. a.)

2.3 Legal framework

The Employment Insurance Act [고용보험법] of 1995 provides the statutory basis for unemployment benefits. Article 40 stipulates that benefits are payable only to insured employees who are capable of and available for work, have lost employment involuntarily, and are actively seeking new employment. The Act empowers the MoEL to suspend or terminate benefits if these conditions are not met.

Implementing regulations, notably the Unemployment Recognition and Reemployment Support Regulation (2019), specify the monitoring regime. Claimants must report at regular intervals, usually every two to four weeks, to demonstrate job search. Acceptable activities include applications, interviews, attendance at job fairs, and enrolment in training. Failure to comply without just cause, such as refusing a suitable offer, results in suspension of the benefit for that period.

The legal framework also provides for integration with training programmes: the Employment Insurance Fund finances vocational training for unemployed workers under the Vocational Skills Development Act, and unemployed individuals may receive training allowances or cost subsidies while receiving benefits, on the condition that the training is part of their re-employment plan.

The Employment Insurance Act and related privacy laws (e.g. the Personal Information Protection Act) authorize employment offices to use digital systems to verify eligibility and compliance. This includes cross-checking a claimant's status against other databases, for example, social insurance or income tax data.

2.4 Operational workflow[61]

The operational workflow is as follows.

Step 1
Eligibility check

The JSA claimant first requests the former employer/firm to file the required separation documents with COMWEL. The system then performs a preliminary eligibility check. Eligibility requires involuntary separation and an insured period threshold (▶ see Section 2.1). Each individual is identified through their Resident Registration Number (RRN) [주민등록번호],[62] which serves as a unique personal identifier across Korea's employment and social protection systems.

Step 2
Registration with Employment24

In parallel, the claimant registers as a jobseeker with Employment24 (▶ see Box 1), completes the mandatory pre-orientation on the unemployment benefit scheme (online or, if needed, on site), and submits the application for recognition of benefit eligibility at the competent Employment Centre.[63]

Step 3
Participation in and recognition of re-employment activities

Once recognized, the claimant undertakes re-employment activities (applications, interviews, job fairs, skills courses, vocational training) and enters a cycle of unemployment recognition every 1 to 4 weeks. Except for specific rounds (and for repeat or long-term claimants subject to stricter standards), recognition can be completed online via Employment24.

Step 4
Monitoring compliance with re-employment activities

Employment counsellors review the claimant's activities at each reporting interval. They may suggest new job opportunities, refer claimants to training, or assign them to mandatory workshops. If the claimant's efforts are deemed satisfactory, the next benefit instalment is paid to the designated bank account the day after recognition. If not, payment is suspended for that period. Claimants must demonstrate active and genuine job search. False activities lead to non-payment for the relevant recognition period, and repeated violations can trigger suspension for the entire remaining entitlement.

Step 5
Re-employment

When a person receiving the JSA starts a new job, the employer reports the new employee's insurance registration to COMWEL. Employment24 receives this information automatically through its data linkages and flags the record as "re-employed". However, the beneficiary must also submit a re-employment report, either online or in person, within two months of starting the job. Benefits are paid up to the day before re-employment.

61 Based on https://www.work24.go.kr/cm/c/f/1100/selecSystInfo.do?currentPageNo=1&recordCountPerPage=9&upprSystClId=&systClId=SC00000256&systId=SI00000412.

62 The RRN is a 13-digit unique identification number issued by the Government. This number is widely used for various administrative and legal purposes, such as identification, taxation, healthcare, and social services including welfare programmes and school enrolments. The number is structured including the date of birth, biological gender at birth, along with a randomly generated unique sequence of digits (World Bank n.d. a).

63 In principle, one in-person visit is required; in disaster situations, online substitution is permissible at the Centre's discretion.

2.5 Key elements of digital interoperability

Throughout the process, Employment24 (▶ see Box 1) functions as an integrated information platform that centralizes all data and services required for managing unemployment benefits and re-employment support. The system automatically synchronizes job applications, records training participation, and facilitates access to complementary services such as career development programmes, online vocational aptitude tests, and the National Tomorrow Learning Card (국민내일배움카드), which subsidizes training costs. Job search activities conducted outside the platform, such as interviews or applications made directly to employers, must be documented and uploaded to the system with appropriate supporting evidence.

Claimants can also record and submit proof of their job-search efforts using the mobile application "Job Diary" [취업드림수첩], which is fully integrated with their Employment24 profile. It can be accessed safely and conveniently using biometric authentication, such as fingerprint recognition, and provides location-based services that help users identify nearby employment opportunities and relevant support offices. By enabling push notifications, claimants can also receive personalized guidance and reminders without having to log in each time.[64]

For caseworkers, Employment24 provides an integrated dashboard to review each claimant's activity and determine compliance. When a claimant finds employment, the system detects this through integration with social insurance databases and triggers automatic suspension of benefits.

Beyond the integration of previously separate information systems into a single platform, Employment24 is built on a robust architecture comprising more than 700 data connections with multiple ministries and public agencies, enabling real-time data exchange across disparate systems. At a technical level, the architecture depends on a centralized service bus or integration layer, which routes data between source systems and the Employment24 portal. Each connected agency exposes tightly specified APIs or data feeds, aligned with standard data formats and protocols and secured with national identity and encryption frameworks.

64 Based on https://www.korea.kr/news/policyNewsView.do?newsId=148931028&utm.

2.6 Critical success factors and remaining challenges

Several factors have contributed to the successful integration of unemployment benefits and labour market reinsertion measures:

- **Strong strategic leadership** has played a crucial role in driving the integration of employment and social protection services. The initiative was championed by a leading social protection expert and professor at Seoul National University, who later served as adviser to the President of Korea. His vision of providing more accessible, integrated services for people facing difficulties in finding employment helped shape the conception and political prioritization of the EWPCs and the Employment24 platform.

- The Employment24 platform builds on earlier digital reforms and **unifies previously separate information systems under a single integrated platform**. Whereas services for the unemployed had long operated through several distinct but well-developed digital systems, these have now been merged into one integrated system hosted on a central server. This shift replaced fragmented silos with shared infrastructure, enabling smooth interoperability across services.

- Externally, the Employment24 platform is **connected to more than 700 data interfaces** spanning nearly all ministries and public agencies, enabling the real-time exchange of information that supports faster, more accurate, and better-coordinated service delivery.

- The platform aims to apply the **“once-only” principle**, whereby citizens provide their data only once and authorized institutions reuse it securely. This approach reduces the administrative burden for users, while promoting efficiency and consistency in service delivery.

- **Digital interoperability is accompanied by institutional co-location**. The EWPCs operate under unified procedures and in shared facilities, allowing jobseekers to access employment, training, and welfare services seamlessly.

Several challenges remain that need to be addressed over the coming years to achieve better results:

- Although Employment24 already enables extensive data sharing across government systems, **further expansion of data exchanges and stronger alignment with privacy and data-protection standards remain necessary**. Existing gaps still result in some duplication of data collection and constrain the full automation of processes (OECD 2024d).

- Korea's **strong reliance on centralized government data infrastructure** was exposed in September 2025, when a fire at the National Information Resources Service (NIRS) data centre caused the shutdown of more than 600 government IT systems across ministries and public agencies. The incident temporarily disabled around 700 online services, including key platforms for labour inspection and employment administration. Recovery took several weeks, with some services reverting to manual, paper-based operations during the outage. Notably, Employment24 remained fully operational throughout the crisis, thanks to its independent server infrastructure managed by KEIS. However, the disruption highlighted significant vulnerabilities and underscored the urgent need to strengthen the resilience of its digital infrastructure to safeguard the continuity of essential social protection and employment services in future emergencies.

2.7 Results of the approach

The requirement to register as a jobseeker – previously through WorkNet and, since September 2024, through the integrated Employment24 platform – as a pre-condition for receiving unemployment benefits and participating in labour market programmes has led to an increase in the number of registered jobseekers in Korea. In 2023, these measures resulted in 408,155 job placements facilitated through WorkNet (now integrated in Employment24) (World Bank, n.d. a.).

Employment24 was launched only in 2024, and systematic evidence on its effects on employment outcomes is not yet available. However, based on its design features and experience in early implementation, the integrated platform, which manages unemployment benefits and re-employment activities within one digital system, is expected to generate important efficiency and access gains. By consolidating previously separate employment-related services into a single digital entry point, Employment24 enables users to access a one-stop service without navigating multiple websites or administrative channels. The "once-only" principle reduces the need for repeated data entry and the submission of duplicate documents (KEIS 2024). For the public employment services (PES) staff, the integrated system enables faster administrative processes and more automation (OECD 2024d).

Overall, coverage of the EIS, including unemployment insurance, among individuals actively participating in the labour market has improved in recent years. As shown in ▶ Table 2, significant gains were recorded between 2014 and 2020 across several categories of workers. Administrative data further indicate a substantial rise in the share of registered unemployed receiving unemployment insurance benefits, increasing from approximately 37% in 2018 to 71% in 2022.

Despite this progress, overall coverage of the EIS remains relatively low, reaching only about 57% of all workers in 2020. Coverage gaps persist for specific groups, notably women (around 61%) and workers aged 50 and above (approximately 52%) (OECD 2023).

These numbers reveal that large segments of the workforce remain outside the coverage of EIS, including most small business owners, workers in non-standard forms of employment, and freelancers. Coverage gaps also affect young labour market entrants and women with interrupted career trajectories.

Table 2. Distribution of workers with and without employment insurance as a percentage of employed people (%)

		With employment insurance		Without employment insurance				
		Wage workers	Non-wage workers	Wage workers	Non-wage workers			
					Employer		Self-employed	Unpaid family workers
					5 or more employees	less than 5 employees		
Total	2014	54.7	2.4	19.2	0.9	4.3	13.9	4.7
	2020	61.9	3.1	14.5	0.5	3.3	13.2	3.6
Men	2014	56.5	2.9	16.7	1.2	5.1	16.1	1.5
	2020	63.5	3.9	11.8	0.6	4.2	15.2	1.0
Women	2014	51.8	1.7	23.1	0.3	3.2	10.6	9.4
	2020	59.5	1.9	18.6	0.4	1.9	10.3	7.5

Source: OECD (2023)

While initial efforts have been made to address these blind spots by extending the EIS (▶ see Section 2.1), the government has also introduced additional measures to expand non-contributory income support for unemployed individuals who do not qualify for unemployment insurance benefits and to link this support to incentives for active participation in the labour market. These measures are discussed in ▶ Section 3.

2.8 Way forward

Looking ahead, the MoEL and KEIS will continue efforts to establish additional, relevant data exchanges, while seeking solutions that ensure compliance with data protection legislation. In parallel, they aim to streamline the use and processing of data from multiple sources and to apply data validity frameworks to establish a single source of truth. These improved data exchanges are expected to support both the delivery of smarter services for jobseekers and employers and stronger monitoring, evaluation, and evidence-based policymaking (OECD 2024d).

3 Supporting social assistance beneficiaries into employment: Leveraging co-located service delivery and digital interoperability

3.1 Introduction

The **National Basic Livelihood Security (NBLS)** system is the Republic of Korea's flagship social assistance programme, consisting of various sub-schemes. It was introduced in 2000 under the National Basic Livelihood Security Act (1999) as the first legal guarantee of a minimum living standard for low-income households. The programme is financed by general taxation, with the central government bearing around 80% of the cost (and 50% in wealthier municipalities such as Seoul) and local governments contributing the remainder.

NBLS benefits are multi-layered and include the following schemes (Lee 2015):

- The **livelihood benefit** helps the poor maintain basic daily living standards. It is provided in cash on a monthly basis, and the allowance includes the cost of clothing, food, and transportation.
- The **housing benefit** provides assistance with rent and home maintenance. It is paid in cash or through in-kind assistance.

- The **medical care benefit** provides medical care to beneficiaries at a lower rate of co-payment. The co-payment rate for inpatient care is 0% to 10% (whereas the National Health Insurance copayment rate is 20%).

- The **education benefit** provides enrolment fees, tuition, and school supplies.

Thresholds are linked to the national median income, with differentiated lines depending on the type of benefit. As of 2024, the livelihood benefit targets households with income below roughly 30% of the median, the medical benefit extends to those up to 40%, the housing benefit to 46%, and the education benefit to 50%.

Since its inception, the government has taken continuous steps to reduce “blind spots” in the NBLS system, including simplifying income and asset tests and coordinating related safety-net benefits. A major reform was the abolition of the familial support obligation in 2021, which had previously allowed parents’ or children’s resources to affect eligibility and contributed to low take-up (OECD 2023).

As of 2024, approximately 2.67 million people had received benefits under the NBLS (DCI 2025a). A person who receives JSA (▶ see Section 2.1) is not eligible for NBLS. Adults aged 18–64 without severe disability or caregiving responsibilities are classified as *conditional beneficiaries* and must participate in workfare or training activities to continue receiving support (World Bank n.d. b.). This creates a structured link between social assistance and labour market insertion.

3.2 Institutional arrangements

The NBLS system is overseen by the **Ministry of Health and Welfare**, which sets policy, defines eligibility thresholds, and finances most of the programme. **Local governments at the municipal level** are the primary delivery agents: **local welfare offices** handle applications, verify eligibility, and carry out case management for beneficiaries, supported by the Social Security Information System (▶ see Box 3). They are responsible for assessing each household’s circumstances and determining benefit eligibility and amounts, following national standards. In addition, they play the lead role in enforcing conditionality for able-bodied recipients.

Box 3. The Social Security Information System – Happiness e-Eum[65]

A distinctive feature of Korea's social protection system is its integrated computerized information system, called the Social Security Information System or Happiness e-Eum, which was introduced in 2010 to enhance administrative efficiency. The system is managed by the Social Security Information Service under the Ministry of Health and Welfare.

Happiness e-Eum is a management information system established to combine and manage information about the eligibilities and histories of recipients of more than 120 social welfare benefits and services. It integrates over 30 sub-information systems and allows the government to track individual and household benefit records and changes in personal information.

Through Happiness e-Eum, the government can manage the personal information and benefit records of individuals and households on any welfare programme. Once a potential beneficiary submits an application, the system automatically assesses the applicant's eligibility according to the income and personal characteristics found on financial and personal information systems connected to the platform. The system also keeps track of real-time changes, including the birth or death of family members, to modify benefits accordingly. Happiness e-Eum contains information on all welfare benefits received by individuals and households.

On the employment side, the Ministry of Employment and Labor becomes involved when welfare recipients are deemed capable of work. The MoEL-operated Job Centres, mostly integrated in the Employment Welfare Plus Centres (▶ see Box 2), take charge of providing employment services (job counselling, placement, or vocational training opportunities) to referred NBLS recipients. According to the law, a formal inter-agency coordination mechanism exists: local MoHW offices and MoEL offices consult to classify which beneficiaries are "job-ready" and to formulate appropriate integration plans.

In 2016, the MoEL and the MoHW signed a memorandum of understanding (MoU) to enhance data interoperability between the employment and welfare information systems. This agreement enabled the EWPCs to offer citizens integrated access to both employment and welfare services in a single location, supported by digital interoperability. Following the MoU, welfare agencies began sharing information on 15 categories of service records and eligibility data with employment service providers at the EWPCs. In turn, employment services share 17 categories of employment-related records and eligibility information with welfare counterparts, strengthening coordination and enabling more comprehensive, people-centred support (World Bank, n.d. a.).

65 Based on Lee (2015) and World Bank (n.d. a.)

A distinct institutional actor is the Korea Central Self-Sufficiency Foundation and its network of local self-sufficiency centres, which design and operate workfare and training projects for conditional beneficiaries who are not yet job-ready. These projects include community work, social enterprises, skills training, and even micro-enterprise development.

3.3 Legal framework

The NBLS Act (1999) establishes the legal right to minimum livelihood protection and defines the structure of benefits. Articles 8 and 11 of the Enforcement Decree stipulate that able-bodied beneficiaries must be designated as conditional recipients and offered placement in self-sufficiency projects or referred to employment services within one month of enrolment. Article 16 provides for sanctions: if a conditional beneficiary fails to participate without good cause, their livelihood benefit is to be suspended or terminated.

The MoHW issues detailed annual Business Guides that translate the law into operational procedures for local officials. The 2024 guide specifies that sanctions typically involve suspension of the full individual portion of the livelihood benefit for three months, after which benefits are reinstated once the beneficiary resumes participation. Welfare offices must issue written notices of suspension, and beneficiaries have the right to appeal or provide justification (for example, illness or caregiving duties).[66]

The NBLS framework also authorizes information-sharing between welfare and employment agencies. Welfare offices must notify employment centres of referrals, and employment centres must provide quarterly reports on beneficiary participation. Immediate notification is required if a participant drops out of a programme, enabling welfare offices to adjust benefits promptly.

66 Based on https://www.mohw.go.kr/board.es?act=view&bid=0009&list_no=1479897&mid=a10402000000&nPage=1&tag=&utm

3.4 Operational workflow

The operational workflow is as follows.

Step 1 Application with NBLS	From the perspective of the beneficiary, the process begins with submitting an application via the Bokjiro portal. This is the public-facing welfare platform that provides information and access to all social protection benefits through a customized lifecycle-based notification system. Individuals and households can apply for benefits, check eligibility via simulation tools, and track the status of their application. The platform is linked to services from nearly 350 central government ministries and over 6,000 local government institutions (Kring and Elder 2022). Alternatively, applicants can also visit their local welfare office or EWPC to receive in-person assistance (▶ see Box 4 for detailed process description in EWPCs).
Step 2 Verification of information	Behind the scenes, the Happiness e-Eum system provides the integrated back-office infrastructure (▶ see Box 3). Caseworkers verify the household's income and property through Happiness e-Eum, which aggregates data from tax, pension, and health insurance systems. A home visit is usually conducted to confirm living conditions.
Step 3 Categorization of work capacity	If the household qualifies, members are categorized according to work capacity. Elderly or disabled members are unconditional beneficiaries, while able-bodied adults aged 18 to 64 without care responsibilities and disabilities are conditional beneficiaries. If the person is deemed employable, the local welfare office starts coordinating with counsellors in the MoEL Job Centre that covers their area.
Step 4 Referral to employment counsellor	The welfare caseworker sends the individual's profile and background to the employment counsellor. The counsellor then schedules an appointment with the beneficiary.
Step 5 Assessment of job-readiness	Based on a detailed assessment, the responsible counsellor develops an employment support plan, as required by Article 13 of the Enforcement Decree. This plan designates a specific activity that the person must engage in to fulfil their welfare obligation. For those who are less job-ready (low skills or long absence from the labour force), the local welfare office might instead refer the client to a Regional Self-Sufficiency Centre (▶ see Section 3.2).

Step 6
Monitoring compliance with active job search

Participation in active job search is monitored closely. As per Article 12 of the Enforcement Decree, implementing agencies (job centres and self-sufficiency centres) must submit quarterly reports to the welfare office and immediately report dropouts. If participation is satisfactory, benefits continue. If not, the welfare office issues a sanction decision, suspending or reducing the benefits for three months. Once the beneficiary resumes participation, benefits are reinstated from the following month. Beneficiaries have the right to appeal or explain any legitimate reason for non-participation (such as illness), in which case benefits might be restored.

Step 7
Entering employment

Throughout the process, the goal is to help the individual ultimately graduate from welfare by securing employment or other income. If a referred beneficiary finds a stable job, two things happen: (1) the employment office notifies the welfare office that the person has gained employment (with details like start date and wage), and (2) depending on the salary, the household may become ineligible for NBLS (if their income rises above the threshold); in that case, the welfare office will terminate benefits.

Box 4. Integrated case management within the Employment Welfare Plus Centres (EPWCs)[67]

The case management approach within the Employment Welfare Plus Centres follows the following service process, all of which are supported by Work Plus (▶ see Box 2):

1. Reception: For first-time visitors to the EWPC, the purpose of their visit is checked. If an initial consultation is needed, it is conducted after the visitor signs a consent form.

2. Initial consultation: During the initial consultation, the general counsellor identifies the client's needs by asking questions related to employment barriers, desired employment, welfare, and financial situation (▶ see Figure 2). The information collected during the initial consultation is entered in Work Plus. This allows the counsellor to document basic information (gender, age, disability status, military record) and share the information with other caseworkers if needed. The counsellor can also check the client's history of receiving social welfare services by entering the client's RRN into Work Plus.

3. Service connection: After the initial consultation, the counsellor guides and links the client to the appropriate service counter. When multiple services are required, the counsellor introduces the route considering the locations of the consultation counters and priority of services to be provided. Work Plus allows the counsellor to request relevant services and refer this information to corresponding representatives within the EWPC. A precondition is that the client needs to consent to the sharing of information.

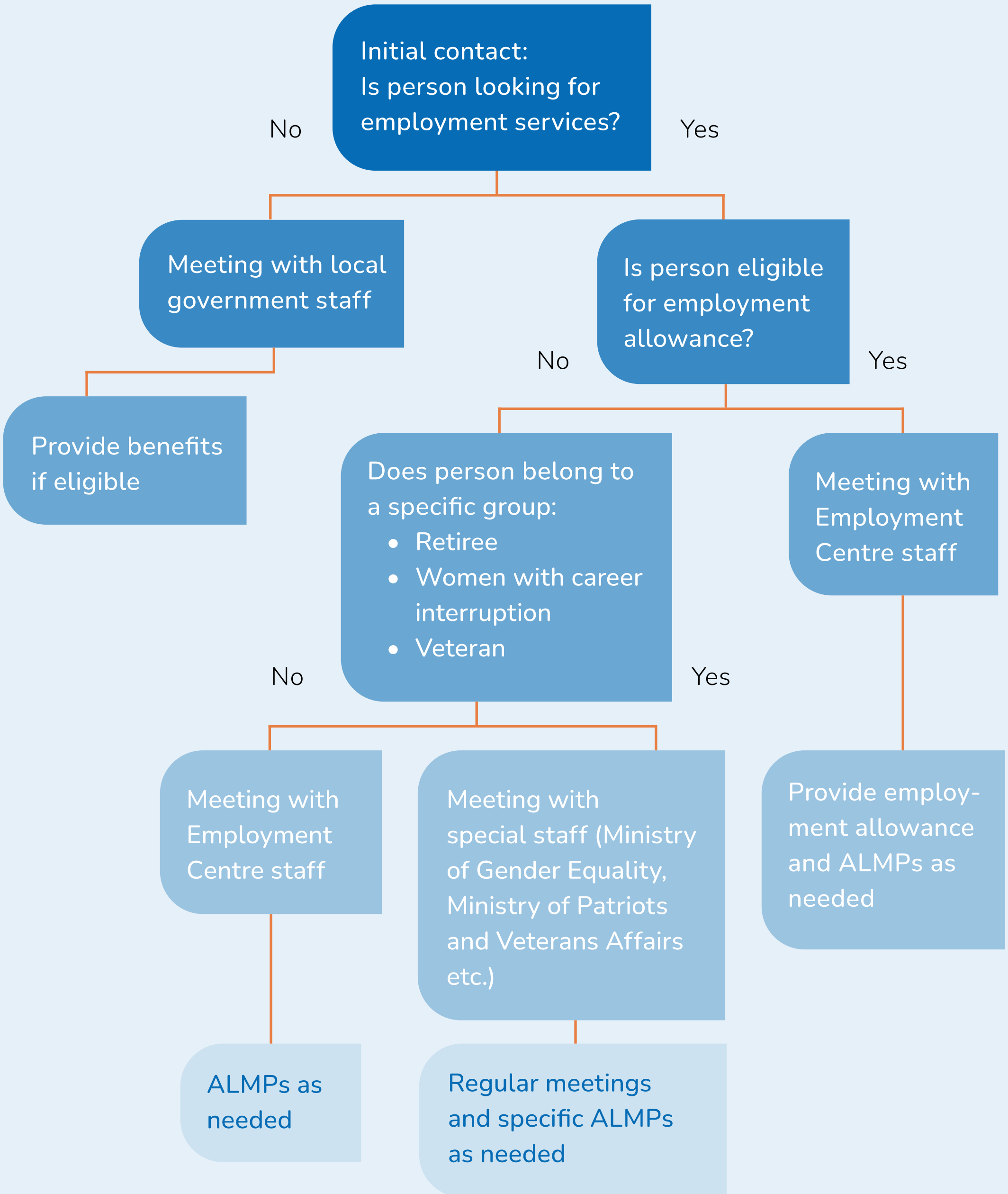
67 Based on World Bank (n.d. a.)

4. Opening a case: During a Case Management Council meeting, the team decides if they should start case work for the applicant, as recommended by the counsellor. If the Case Management Council decides to start casework for the applicant, a caseworker is assigned. This caseworker will then develop a Service Provision Plan based on discussions among various agencies. Based on the Service Provision Plan, EWPC officials working in different agencies are notified to provide services accordingly. The entire process is managed through Work Plus.

5. Monitoring: The caseworker uses Work Plus to monitor if different agencies are providing the requested services adequately.

Figure 2. *Standard jobseeker support process in EWPCs*

Source: OECD (2024d)



3.5 Key elements of digital interoperability

The NBLS system relies heavily on digital infrastructure. Happiness e-Eum (▶ see Box 3) provides the backbone, enabling automated eligibility checks and continuous follow-up. This includes automated checks with Employment24 (▶ see Box 1). The MoHW uses employment information, such as insured status, from the MoEL to determine eligibility. In the same way, the MoEL actively uses MoHW data to identify and support vulnerable groups in the labour market (Kring and Elder 2022). In addition, Bokjiro (see step 1 in ▶ Section 3.4) offers a citizen-facing portal for applications and status tracking.

The EWPCs and the underlying digital system Work Plus supporting intersectoral case management efforts (▶ see Box 2) provide a bridge between welfare and labour systems. Through Work Plus, staff can access and act upon integrated information drawn from both Happiness e-Eum and the Employment24 platform, as well as other relevant databases. Caseworkers use Work Plus to manage client files, initiate welfare benefit applications, refer individuals to employment services, and track outcomes, without needing to re-enter data or switch systems. Interoperability is underpinned by shared national identifiers, API-based data exchange, and government-wide cloud infrastructure, allowing for seamless and secure coordination across agencies. This enables a truly one-stop, person-centred experience for both clients and frontline staff.

3.6 Critical success factors and remaining challenges

Several factors have contributed to the successful collaboration between employment and welfare services in Korea:

- **The Happiness e-Eum system serves as a unified welfare data backbone.** It integrates information from over 120 welfare programmes and sub-systems, providing real-time eligibility checks and automated updates to household records. This has significantly improved administrative efficiency, transparency, and coordination across social protection schemes.

- **External data integration enables near real-time cross-checks** with administrative sources such as taxation, health insurance, pensions, and civil registry databases. This allows automated assessments of income and household circumstances, reducing fraud and enabling more precise targeting.

- **Work Plus enables frontline staff to access and manage relevant data** from both the social protection system (Happiness e-Eum) and the labour market system (Employment24). It supports shared case planning, service referrals, monitoring, and reporting across agencies, reducing duplication and enabling a person-centred, one-stop service delivery model.

- **A strong legal and governance framework links social assistance with labour market insertion**. The NBLS Act legally mandates participation in workfare or job-seeking activities for able-bodied adults, while formal protocols and digital systems support structured referrals, benefit coordination, and the enforcement of conditionality.

- **Interministerial coordination has driven integration efforts**. The 2016 MoU between MoHW and MoEL institutionalized data exchange and paved the way for unified service delivery through EWPCs.

- **The Republic of Korea follows a holistic, multi-agency case management approach for individuals with complex needs**. Many poor and vulnerable individuals face multiple and interconnected challenges, such as health issues, low skills, or long-term labour market detachment, that cannot be addressed by a single profession or institution. Korea's approach, supported by the EWPC structure and the Work Plus system, enables shared case management across employment, social welfare, and health officers. Cases are jointly discussed in multidisciplinary meetings, and individuals receive coordinated support regardless of their entry channel. This collaborative model allows institutions to address multi-dimensional needs more effectively.

Despite these achievements, the system faces several challenges, which may constrain its performance and scalability:

- The breadth and depth of collaboration between the social welfare and employment institutions depends on the **political will and institutional capacities of each municipality**. The EWPC model is voluntary, allowing municipalities to decide whether to establish such centres. While most have progressively adopted the approach over the past decade, some have not yet joined. As a result, the level of integration and cooperation between welfare and employment services varies considerably across the country.

- **Functional fragmentation within EWPCs** persists in some cases. Although services are physically co-located, staff from different agencies operate under distinct management structures, performance metrics, and accountability systems. This limits seamless service delivery and may create friction in cross-agency collaboration.

- **Human resource constraints undermine service quality**. Many EWPCs report shortages of municipal or partner agency staff, especially specialized case-workers. This limits the ability to offer personalized counselling or sustained follow-up, particularly in more complex cases requiring both employment and social support (OECD 2024d). While Work Plus enables the existing staff to work more efficiently by streamlining processes and improving access to information, it cannot fully substitute for adequate staffing.

3.7 Results of the approach

The introduction of the Happiness e-Eum system, which interoperates seamlessly with Employment24 (and previously with the various information systems now integrated therein), has tremendously increased administrative efficiency. Time spent deciding eligibility for benefits of social welfare has fallen dramatically, from 60 days in 2009 to 9.9 days in 2013. The system has also improved transparency and allows government officials to check benefit records and provide any other services relevant to applicants (Lee 2015).

Evaluations of the EWPC approach show that, despite strong financial incentives, integrated referrals and case management approaches and relatively strict control mechanisms, participation in active labour market measures and transitions to employment remain relatively low. This indicates that current labour market insertion measures are not sufficiently effective for many NBLS recipients. Additional measures are, therefore, needed to strengthen work incentives, including adjustments to the benefit tapering rules so that earnings from work lead to more gradual reductions in benefits and make employment more financially attractive (OECD 2022b).

Despite progress in expanding statutory employment-insurance coverage to non-standard workers (▶ see Section 2.1) and in strengthening both the coverage and adequacy of the NBLS system (▶ see Section 3.1), many unemployed individuals receive neither unemployment insurance nor social assistance (OECD 2023). They include many self-employed workers, platform workers, short-term or intermittent workers whose contribution histories remain insufficient to qualify for unemployment insurance, and inactive individuals who are neither working nor receiving social assistance. Younger jobseekers, women returning to the labour market after career breaks, and older workers in precarious forms of employment are also disproportionately affected by these coverage gaps.

3.8 Way forward

The persistence of these blind spots has prompted the development of new approaches, most notably the National Employment Support Programme (NESP) (▶ see Box 5). Owing to its strong activation focus, early programme results recorded employment rates of around 60% between 2016 and 2019, with roughly half of participants remaining in employment for more than one year. These initial results provided the basis for a subsequent expansion of the programme in 2021 (OECD 2022b).

Box 5. The National Employment Service Programme (NESP)[68]

In January 2021, Korea launched the National Employment Service Programme, designed as a second-tier unemployment benefit scheme to provide income support and tailored employment services to groups not covered by traditional unemployment insurance or social assistance. The programme targets low-income individuals, unemployed youth, and career-interrupted women, offering both financial assistance and personalized guidance to help them (re)enter the labour market.

Participants receive in-depth counselling to assess their employment aspirations and capabilities, leading to the development of individual job-seeking plans. Based on these plans, beneficiaries gain access to a comprehensive range of services, including vocational training, work experience opportunities, resume and interview assistance, and job-matching support.

Eligibility for the job-seeking encouragement benefit is determined by income and asset criteria. Individuals whose household income is 60% or less of the national median and whose assets are valued below Korean won (KRW) 400 million (approximately USD 270,000) may qualify. For young people aged 18 to 34, the income threshold is set lower (at 120% or less of the median income), with assets not exceeding KRW 500 million (approximately USD 338,000). Eligible participants receive KRW 500,000 (approximately USD 338) per month for up to six months, conditional on active engagement in the job-search activities specified in their individual plans.

An Employment Success Allowance of up to KRW 1.5 million (approximately USD 1,000) is paid to programme participants with household income below 60% of the median and who successfully take up employment. The amount depends on the duration of the employment contract (a lump-sum payment of KRW 500,000 for continuous employment for 6 months, plus a lump-sum of KRW 1 million for continuous employment for 12 months).

Since 2023, the programme has been expanded to include an additional allowance of KRW 100,000 (approximately USD 67) per dependent (up to a total of KRW 400,000) for jobseekers who support children under 18, older dependents aged 70 or above, or family members with severe disabilities. This supplement helps reduce the financial strain on vulnerable households during job search. Furthermore, since 2024, recipients have been allowed to retain benefits even while earning income through part-time work, ensuring continued participation in the labour market while maintaining livelihood stability.

The NESP management information system is embedded in Employment24 (▶ see Box 1), allowing jobseekers and case managers to complete all NESP-related procedures through a single digital interface.

68 Based on MoEL (2024), OECD (2023) and DCI (2025a)

The NESP service process follows a structured sequence:

- **Application:** Individuals submit a formal application through Employment Centres or EWPCS.
- **Eligibility test and verification:** Authorities perform data checks across multiple systems, including social assistance, credit, taxation, and health insurance databases, by making use of the Work Plus system.
- **Development of an Individual Action Plan (IAP):** A counsellor and the participant jointly design a personalized employment plan, triggering the first benefit payment.
- **Job search and participation phase:** Participants are required to engage in employment activities at least twice a month to continue receiving benefits. They may also join work-experience programmes, including work trial schemes (24–30 days, 4 hours per day) or internships lasting up to 3 months.
- **Aftercare and employment incentives:** Beneficiaries who secure employment may receive the Employment Success Allowance after one year of sustained employment.

4 Conclusion

The reforms and evolutions described in the preceding sections have unfolded within the broader framework of the Republic of Korea's long-standing digital governance agenda. Over several decades, Korea has pursued a consistent strategy of harnessing digital technologies to modernize public administration, improve service efficiency, and transform the way government interacts with citizens. What began as an effort to streamline internal processes gradually developed into a comprehensive approach in which public services are increasingly interactive, personalized, and centred on user needs (Kring and Elder 2022).

Within this overarching trajectory, the domains of social protection and employment have been at the forefront of Korea's digital transformation. In both policy areas, Korea invested early in robust management information systems and developed the institutional capacity needed to administer increasingly complex programmes. These foundations enabled a shift from the digitalization of isolated processes to more advanced forms of interoperability – both within each sector and across them – allowing information to move seamlessly between programmes, agencies, and levels of government.

Crucially, these technological advances have not occurred in isolation, but have reinforced – and been reinforced by – strong policy coherence and sustained institutional collaboration. In addition, and equally important, legal frameworks to improve coordination between social protection and PES, interministerial agreements, and operational coordination at local level through structures such as the EWPCs enable better alignment and integration of programmes and services across the two domains.

The case study illustrates how the Republic of Korea has employed different models of digital interoperability to meet various policy objectives. The integration of unemployment insurance administration within the broader labour market information system Employment24 brings income protection and re-employment support together in a single digital environment (▶ see Section 2). Real-time data exchange between Employment24 and Happiness e-Eum enables welfare and employment information to be combined, improving the efficiency and accuracy of service delivery (▶ see Section 3). Ongoing efforts to establish a unified case-management approach across the social protection and employment domains through the EPWCs are supported by Work Plus, which brings together relevant data from various government (and non-governmental) databases to facilitate case management (▶ see Box 3 and ▶ Box 4). Finally, the National Employment Support Programme, whose management information system is fully embedded in Employment24, shows how income support and employment promotion can be coordinated in a single, integrated programme (▶ see Box 5).

Taken together, these examples show that there is no single pathway towards interoperability between social protection administrations/schemes and PES and their underlying information systems. Rather, Korea's experience demonstrates that multiple approaches can coexist, complement one another, and be combined within a single country context to address different institutional needs and policy objectives.

Digital Convergence USP2030

Annex 3

Country case study: **Türkiye**

Contents

Executive summary 142

1 Background 144

2 Enabling the transition from social assistance to employment: Referring employable beneficiaries to public employment services 146

2.1 Introduction 146

2.2 Institutional arrangements 148

2.3 Legal framework 151

2.4 Operational workflow 152

2.5 Key elements of digital interoperability 154

2.6 Critical success factors and remaining challenges 157

2.7 Results of the approach 158

2.8 Way forward 159

3 Conclusion 162

Figures, tables and boxes

Figure 1. Three main functions of ISAS 156

Table 1. Participants in the Household Support System
September 2024 to April 2025 160

Box 1. Türkiye's Public Employment Agency
(Türkiye İş Kurumu, İŞKUR) 149

Box 2. The Integrated Social Assistance System (ISAS) 155

Executive summary

This case study examines how Türkiye has strengthened coordination between social protection and public employment services (PES) through digital interoperability. It focuses on one main use case: Enabling the transition from social assistance to employment: Referring employable beneficiaries to public employment services. This case study contributes to a broader analytical report, *Linking Social Protection and Public Employment Services (PES) Through System Interoperability*, produced under the Digital Convergence Initiative (DCI), which examines how digital interoperability between social protection systems and PES can improve service delivery and labour market outcomes.

Use case: Enabling the transition from social assistance to employment: Referring employable beneficiaries to public employment services

Türkiye links social assistance to PES through interoperability between the Integrated Social Assistance System (ISAS) and the information system of the public employment service, Türkiye İş Kurumu (İŞKUR). Beneficiaries who are able to work are identified within ISAS and referred to İŞKUR, where they can access counselling, training, and job placement support. The system relies on structured data exchange between institutions to support referrals and coordination. Information on beneficiaries is shared between social assistance institutions and employment services, while participation in employment programmes is recorded to enable follow-up. These exchanges are based on regular data transfers combined with clearly defined institutional roles and local coordination mechanisms. In addition, social workers at local branches of the Social Assistance and Solidarity Foundation (SASF) play an important role in identifying beneficiaries and facilitating outreach and referrals.

Overall, this approach has enabled the systematic referral of social assistance beneficiaries to employment services and strengthened coordination between institutions. It has improved the identification of individuals with work capacity and increased participation in employment programmes. However, its impact on employment outcomes remains limited, reflecting the significant labour market barriers faced by many social assistance beneficiaries and constraints on service capacity.

Looking ahead, recent reforms aim to address key limitations in outreach and coordination. The introduction of the Household Support System in 2024 expands İŞKUR's approach from individual profiling to a household-based model, targeting households without employed or retired members and with limited engagement in social assistance or employment services. Using administrative data from multiple institutions, the system identifies eligible households and links them to counselling, training, and employment programmes, while monitoring participation. It also introduces a more two-directional referral process between social assistance and employment services, addressing gaps in the previous one-directional model. Further progress will depend on strengthening real-time, two-way data exchange between ISAS, İŞKUR, and other institutions to enable more coordinated case management and improve employment outcomes.

1 Background

Türkiye has undergone significant economic and social transformation over the past two decades, marked by rapid urbanization, structural change, and expanding access to public services. The country became an upper middle-income economy in the mid-2000s and has achieved significant progress in the reduction of absolute poverty in recent years. However, relative poverty (measured at 50% of median income) remains high at 13.5% (Dansuk 2025).

Labour market indicators have shown a steady upward trend over the past decade. In 2023, the labour force participation rate stood at 53.3% (compared to 50.2% in 2014), with a striking gender gap: 71.2% among men compared with only 35.8% among women (Ministry of Labour and Social Security 2025). This disparity reflects persistent structural challenges, including care responsibilities disproportionately carried by women, limited access to affordable childcare and traditional gender norms influencing labour-market decisions (ILO 2025c).

The unemployment rate decreased from almost 14% in 2019 to 7.9% in 2024, with approximately 2.8 million people unemployed. In particular, the youth unemployment rate (covering the 15–24 age group) improved significantly, falling from 25.2% in 2019 to 15% in 2024. Young women face particularly difficult labour-market conditions, with an unemployment rate of 23.2% (Ministry of Labour and Social Security 2025; Dansuk 2025).

One of the main challenges Türkiye's labour market is facing is the persistently high level of informal employment. Although informal work has declined substantially over time – from more than 50% in the 2000s to 26.1% in 2023 – it remains a significant structural obstacle to improving job quality and extending social protection coverage. Informal employment remains concentrated in agriculture, where 80.6% of workers are employed informally, compared with 16.6% in non-agricultural sectors. An analysis of informal employment by gender revealed that female workers have a disproportionally higher rate of informal employment than male workers (Ministry of Labour and Social Security 2025).

One of the most significant challenges in the labour market is the long-term shift in the composition of the workforce over the past two decades, which has been unfavourable to labour. According to data from the Social Security Institution (Sosyal Güvenlik Kurumu, SGK), the share of minimum-wage earners is around 50%, a trend identified as a major contributor to persistent poverty. In addition, a critical challenge concerns the relationship between price levels and wage levels. Data from the Turkish Statistical Institute shows that between 2002 and 2025, growth in the real wage index consistently lagged behind growth in the real price index. This undermines the effectiveness of poverty alleviation policies and increases the proportion of the population at risk of poverty.

Over the past 15 years, Türkiye has considerably strengthened its social protection systems. Social insurance programmes tied to employment, administered by the Ministry of Labour and Social Security, cover approximately 89% of the population. Social assistance programmes[69] cover 21% of the population, including both those outside the scope of social insurance (11%) and an additional 10% of vulnerable individuals such as persons with disabilities, caregivers, and others in need of non-contributory support. To bridge these two pillars, push and pull factors are employed that facilitate the shift of social assistance beneficiaries into the contributory social insurance system (Rahbari 2025b).

Türkiye's policy framework deliberately links social protection and labour market policies: The recently adopted Labour Market Policy 2025–2028 emphasizes that it is crucial for Türkiye to adopt an employment-oriented approach in its social assistance policies, encouraging labour-market participation, supporting vocational training and skills development, and pursuing a more effective strategy to reduce unemployment.

A key enabler of this approach is the Integrated Social Assistance System (ISAS) (▶ see Box 2). Established in 2010, ISAS serves as a central e-Government platform that digitizes and streamlines all previously paper-based processes in social assistance management. ISAS also facilitates linkages to labour market services (Rahbari 2025b).

69 An analysis of the social assistance system and expenditure trends identified three key areas of stress: (1) low overall coverage of social assistance and only moderate coverage of poor and vulnerable populations; (2) relatively low benefit adequacy, limiting the ability of social assistance programmes to significantly reduce poverty and inequality; and (3) the limited overall impact of social assistance transfers on poverty and inequality, as evidenced by their relatively small contribution to closing the aggregate poverty gap and their negligible effect on inequality (World Bank 2023).

2 Enabling the transition from social assistance to employment: Referring employable beneficiaries to public employment services

2.1 Introduction

The Ministry of Family and Social Services (MoFSS) administers a broad and diverse portfolio of non-contributory social assistance programmes, including child- and family-oriented benefits, disability and old-age assistance, education- and health-related transfers, and various forms of in-kind support for vulnerable households. In total, more than 50 different cash and in-kind schemes (delivered either as lump-sum payments or regular instalments) are implemented, most of them financed by the Social Assistance and Solidarity Fund (SASF). The majority of programmes are poverty-targeted, with means-testing carried out by the SASFs (▶ see Box 2 and ▶ Section 2.2) (ESCAP 2024).

As part of its exit strategy from social assistance, Türkiye has, since 2010, introduced policy reforms targeting the approximately 18% of beneficiaries deemed capable of working. These reforms aim to support their transition to employment and inclusion in contributory social insurance by referring them to the Turkish Employment Agency, Türkiye İş Kurumu (İŞKUR) (Rahbari 2025b). Individuals are considered to be capable of working when they meet the following conditions simultaneously: (1) they live in a household that has received regular cash social assistance at least once in the past year; (2) they are between 18 and 55 years of age; (3) they do not receive a pension;

and (4) they do not receive social assistance for the home care of a disabled relative. Women who satisfy these criteria, but are responsible for the care of a child of primary-school age or younger, are classified by the foundation as unemployable and are, therefore, not registered in the İŞKUR system. Those assessed as employable are registered with İŞKUR and referred to suitable labour-market integration activities (OECD 2024e).

Various practices have been implemented to increase the employability of social assistance beneficiaries and strengthen the social assistance-employment link. Besides referring them to İŞKUR through ISAS, various additional pull factors in the form of benefits funded by the SASF are being offered to support them during job search and transition to the labour market (OECD 2024e), including the following:

- **Job guidance assistance:** A transfer provided up to three times per year to cover expenses such as transportation, health-related costs, or a headshot photograph required for job applications and commuting to work. The amount may not exceed 10% of the net minimum wage (between 0 and 1,700 Turkish lira [TL] in 2024). The exact amount is determined by the SASF based on its assessment, and applications may be rejected according to the SASF's evaluation.
- **Assistance for starting work:** A lump-sum payment provided to social assistance beneficiaries who take up employment (6,667.50 TL in 2024).
- **Priority access to in-kind assistance:** Beneficiaries who secure regular employment are given priority for heating, education, and food assistance.

If a social assistance beneficiary takes up employment through İŞKUR under the employment incentive programme, the social assistance benefit continues for 12 months, even if the household's per capita income rises above one-third of the net minimum wage during this period.

Conversely, push factors are employed to ensure compliance with labour market programmes. If an employable social assistance beneficiary refuses to cooperate with activation efforts, sanctions apply. Specifically, regular cash assistance is discontinued for one year if, without a justifiable reason, the individual refuses vocational training, active labour market programmes (ALMPs), or a job offered by İŞKUR for the third time. This determination is reported via the İŞKUR system and recorded in ISAS. Actions that may trigger this sanction include: (1) not attending a job interview following a referral; (2) rejecting a job offer; (3) failing to start or continue a placement within the Public Workfare Programme; or (4) refusing to participate in an assigned on-the-job training or a vocational training programme (for further information on specific ALMPs, ▶ see Box 1) (Dansuk 2025).

2.2 Institutional arrangements

Social assistance in Türkiye is centrally overseen by the **Social Assistance Directorate General (SADG) under the Ministry of Family and Social Services.** The majority of social assistance programmes are managed within this unit. Hence, it has played an important role in reducing fragmentation across the sector. The SADG also operates and maintains ISAS (▶ see Box 2), oversees system management and hardware infrastructure, and coordinates social assistance-related issues across ministries, including the development of data-sharing agreements (MoFSS and World Bank 2017).[70]

The delivery of social assistance is carried out through the nationwide network of SASFs, which function under the authority of provincial and district governors. Each SASF is governed by a Board of Trustees, which serves as the Foundation's main decision-making body. The Board brings together key local public authorities and community representatives, typically including the provincial or district governor as chair, relevant local line-department officials, and selected representatives of civil society. Social workers carry out household assessments and home visits to verify eligibility for social assistance benefits, identify "employable" individuals, and refer cases to the Board of Trustees for a final eligibility decision. Once approved, the SASF refers eligible beneficiaries to İŞKUR through ISAS, monitors their participation in activation programmes, and oversees compliance with employment-related obligations (see details in ▶ Section 2.3).

İŞKUR operates a nationwide network of provincial and district offices and an advanced digital platform for managing jobseeker profiles, employer services, ALMPs, and unemployment insurance benefits. Social assistance beneficiaries receive tailored services through this system, including job and professional counselling, which provides guidance on job search and occupational pathways, as well as access to vocational training and other ALMPs delivered by İŞKUR to support skills development and labour-market integration. Details of İŞKUR's institutional capacities are provided in ▶ Box 1.

70 The MoFSS initially contracted the Scientific and Technological Research Council of Türkiye (TÜBİTAK) to develop ISAS. Until 2020, TÜBİTAK was also responsible for maintaining the system and developing new software modules. Since then, the MoFSS's internal IT department has taken over full responsibility for ongoing software development and daily system maintenance.

Box 1. Türkiye's Public Employment Agency (Türkiye İş Kurumu, İŞKUR)[71]

Türkiye's Public Employment Agency, İŞKUR, maintains a nationwide network of offices and service points to deliver employment services across the country. As of 2024, its operational footprint includes 81 Provincial Directorates and 79 District-Level Service Centres. These offices constitute the core structure through which İŞKUR delivers job placement, career counselling, vocational training referrals, and activation programmes.

Beyond these formal offices, İŞKUR also operates 2,225 local service points, established in collaboration with municipalities, SASFs, and local chambers of commerce and industry. These smaller service points extend İŞKUR's outreach to subdistricts and remote communities, offering access to registration and basic employment services without the need to travel to central offices.

İŞKUR delivers a broad range of services aimed at enhancing employment, supporting jobseekers and employers, and facilitating transitions in the labour market.

The main tasks of İŞKUR include:

- **Job placement and intermediation:** İŞKUR matches jobseekers with vacancies in the domestic and international labour markets and supports employers in recruitment processes.

- **Career and vocational guidance:** İŞKUR offers personalized counselling to jobseekers, career development services, labour market information, and skills profiling. Tailored services are available, particularly for vulnerable groups, for example, a dedicated Job Hunting Model for youth not in education, employment or training (NEET), Job Coaching for persons with disabilities, and Job Clubs offering both theoretical and practical guidance to support individuals facing specific barriers to (re-)entering the labour market.

- **Active labour market programmes:** İŞKUR designs and implements a wide range of ALMPs to enhance employability and support labour market integration, particularly for disadvantaged groups. These include: (1) Vocational training and on-the-job training: Participants receive a daily allowance, general health insurance, and coverage for occupational accident and disease premiums. Employers are required to hire trainees for at least twice the duration of the training upon completion. (2) Public works programmes: These programmes offer short-term employment and basic skills development for unemployed individuals, particularly in times of high unemployment. (3) Labour Adjustment Programme: This programme facilitates the transition of unemployed individuals, especially women, youth, and vulnerable groups, into the labour market by combining part-time work assignments in public

71 Based on İŞKUR (2025)

institutions with training in soft skills, job search, and employability. Participants receive a daily wage equivalent to the net minimum wage and are covered by short-term social insurance. (4) Employment subsidies: Employers hiring unemployed individuals who meet specific criteria can benefit from premium, tax, or wage subsidies. Targeted incentives are available to encourage the employment of women, youth, and recipients of unemployment benefits.

- Passive labour market programmes: İŞKUR administers a range of income support schemes for insured workers facing job loss or reduced income, including: (1) Unemployment benefits: paid to eligible individuals who have lost their job involuntarily, financed through social insurance contributions, (2) short-time work allowances: which provide wage compensation to employees whose working hours are temporarily reduced or suspended due to economic down-turns, helping employers retain their workforce during crises, and (3) half-time working allowance: which supports working parents after childbirth or adoption by compensating for reduced working hours. The allowance is paid for a defined period depending on the number of children and is available to insured employees following maternity or paternity leave.

- Employer services: These services engage directly with employers to identify labour needs, promote İŞKUR services, and facilitate targeted recruitment, including support for employing disadvantaged groups.

- Employment events and job fairs: İŞKUR organizes local and national events to connect jobseekers and employers, with a focus on priority sectors and regions.

- Labour market analysis and statistical services: İŞKUR produces, analyses, and publishes national and local labour market data to inform employment policy and practice.

These institutional arrangements are underpinned by an Action Plan on Linking the Social Support System to Employment and its Activation, which was adopted in April 2010, followed by a cooperation protocol between the MoFSS and İŞKUR in February 2012. These measures aimed to incentivize job search, facilitate access to employment and training opportunities, and promote productive participation in society, helping social assistance beneficiaries become and remain self-sufficient. With the aim of clarifying the definition of duties between institutions and strengthening cooperation in the field, the Protocol on Directing Social Assistance Beneficiaries to Employment was signed between the two institutions in April 2018.

Türkiye's strategic commitment to linking social assistance with employment promotion is also firmly embedded in its key policy frameworks, including the Twelfth Development Plan 2024–2028, which sets out explicit goals to link social assistance systems with active and passive labour market programmes, aiming to transform social assistance into a mechanism that not only provides financial relief, but also fosters labour force participation among those capable of working. Complementing this, the Medium-

Term Programme 2025–2027 outlines planned revisions to the social assistance system to increase opportunities to transition into employment. Enhancing the linkages between social assistance and employment policies is also prominently anchored in the National Employment Strategy 2025–2028.

2.3 Legal framework

Türkiye's modern social assistance system is grounded in the Social Assistance and Solidarity Encouragement Law No. 3294 (1986). The law's purpose is to assist citizens who are "in poverty and need", specifically those not covered by any social security scheme and not receiving a pension/income from such schemes. Law 3294 aims to provide aid to the destitute and to "reinforce social justice" by redistributing resources. It established the national Social Assistance and Solidarity Fund to finance dedicated programmes. The law also mandated creation of the SASFs in every province and district. The law covers a range of needs-based supports (e.g. food, fuel, education grants, etc.), and subsequent regulations or Fund's Board decisions have created additional programmes under its authority.

Law No. 6704, dated 14 April 2016, introduced new provisions making certain social assistance benefits conditional on participation in ALMPs. The Law amended Law 3294 by adding Additional Article 5, which established two key measures to link social assistance with the labour market (ESPN 2016):

- Mandatory İŞKUR registration and activation: The law provides that "employable" (see above) members of households that received at least one regular cash assistance payment from the Social Assistance and Solidarity Fund in the past year (and whose household falls under the poverty threshold for General Health Insurance premium support) shall be registered with İŞKUR. Critically, the law also imposes a sanction for non-compliance: any employable beneficiary who refuses to participate in training or turns down a job offer three times will have their cash social assistance terminated for one year.

- Employment incentives for hiring beneficiaries: The law also created a wage subsidy programme to encourage employers to hire social assistance beneficiaries. According to Additional Article 5, if a person from a needy household (one that received regular cash aid in the past year) is employed in a private-sector job after being registered with İŞKUR, the government will cover the employer's share of the social security contributions for that employee for one year. This social insurance contribution support is calculated on the basis of the minimum wage (the lower bound of contributory earnings) and is paid by the MoFSS on behalf of the employer. The incentive also comes with conditions to prevent abuse: the employer must be from the private sector and must be increasing their workforce (hiring the beneficiary as an additional employee above the previous year's average employment) and must have no outstanding social security debts or fraud findings. If an employer is found to have undeclared workers, they become ineligible for the subsidy for one year.

- Notably, the legal reform of 2016 answered longstanding policy discussions: the National Employment Strategy 2010–2014 had already emphasized linking social assistance with employment and pilot initiatives were already initiated before the law came into force. Law 6704 eventually provided the statutory authority to enforce participation and impose penalties for non-participation.[72]

Following Law 6704's mandate, a comprehensive implementing regulation was promulgated, entitled the Regulation on the Employment of Social Assistance Beneficiaries. This regulation details the conditions and processes for the referral of beneficiaries to jobs/training and the social security subsidies. With this regulation in force, the activation policy became operational as of 1 January 2018, after giving time in late 2017 for outreach and system setup. Based on the regulation, a Circular on the Procedures for Directing Social Assistance Beneficiaries Towards Employment was issued in 2019.

2.4 Operational workflow

The operational workflow is as follows.

Step 1
Social assistance application

For all social assistance programmes, applicants complete a standard application at their local SASF office or online. The application standardizes declaration-based data, allowing it to be easily integrated with different databases and verified. The application includes questions pertaining to the registrant's household, including employment information, household composition, property ownership, and social conditions. As part of the application process, citizens are required to submit a signed consent form to allow institutions to review their social and economic information (MoFSS and World Bank 2017).

Step 2
Assessment of household information

When a citizen's application is completed at his or her local SASF office, a socio-economic profile is generated in ISAS by linking datasets from various institutions through the citizen's unique national ID number. The profile contains information about the household's financial status, including the applicant's self-reported household income and working status, as well as property, agricultural land, livestock, and vehicle ownership.

72 Before the law came into force, the Ministry launched pilot activation initiatives via administrative circulars: In April 2014, Circular no. 2014/4 was issued to SASFs nationwide. This directive instructed local foundations to identify "employable" beneficiaries – initially defined as adults aged 18–45 in social assistance households – and to refer them to İŞKUR for employment or training opportunities. In August 2015, the Ministry revised its approach with Circular no. 2015/3. This narrowed the focus to beneficiary households with no employed members (i.e. completely jobless households) as the priority group for activation. The adjusted criteria made the programme more feasible by concentrating on those most in need of labour market integration. These circulars were the de facto guidelines until the new law came into effect.

At this stage, the profile is assessed for completeness or for inconsistencies with the self-declared data at registration. If information is missing from the application or if there are inconsistencies in the data, an alert will appear and the application will be frozen until the information is validated. Besides this administrative data, social workers visit the applicant household to check the declared information and observe his/her real living conditions by using the social inquiry form. The eligibility of the applicant is decided by evaluating these two data sources.

Step 3
Identification of employable beneficiaries

Within eligible households, adults aged 18 to 55 who are not pensioners or full-time caregivers are classified as “employable”. These individuals are flagged in ISAS and may be referred to İŞKUR for job placement or participation in activation programmes. However, identification as “employable” does not automatically result in registration with İŞKUR. Referral requires the beneficiary’s consent, and individuals must actively agree to participate. Job opportunities, vocational training, or other ALMPs must generally be located within the district boundaries (for district municipalities) or within the provincial area reachable by a workplace service vehicle or by no more than two urban public transport connections (for metropolitan municipalities). However, if the beneficiary wishes, participation or employment in another district or province is also possible.

Step 4
Referral and registration with İŞKUR

Once the beneficiary consents, the file is sent from ISAS to İŞKUR’s database. These referrals are transferred on a bi-monthly basis. An İŞKUR counsellor reviews the files to confirm whether employment services can be provided for the concerned individuals. If confirmed, this is communicated back to ISAS. The referral is then finalized, and the individual is digitally registered with İŞKUR, without the need for a separate application (MoFSS n.d.).

Step 5
Individual counselling and preparation of activation plan

Upon registration, each beneficiary is assigned a Job and Vocational Counsellor who prepares an individual action plan. This plan outlines the steps needed to improve employability, including participation in job-search support, vocational training, or other ALMP. All records are managed through İŞKUR’s integrated digital platform, including the İMD My Page interface used by counsellors.

Step 6
Participation in employment-related programmes

Beneficiaries are directed to appropriate ALMPs such as skills training, on-the-job training, or community-based employment projects. İŞKUR also matches candidates with job openings. All participation is recorded digitally via the iMD and linked to the individual’s case profile. Beneficiaries are required to attend interviews and accept suitable offers unless justified otherwise.

Step 7
Monitoring, reporting, and compliance

İŞKUR monitors compliance with activation obligations through its case management system. If a beneficiary refuses a job offer, training course, or other activation measure three times without valid justification, their eligibility for social assistance may be suspended for one year, as per the legal provisions introduced under Law No. 6704. These sanctions are automatically reflected in ISAS.

Step 8
Transition to employment and continued support

If a beneficiary gains formal employment, their status is updated automatically through records of the Social Security Institution (SGK). Certain social assistance benefits may continue for up to 12 months post-employment to support transition and prevent disincentives. In addition, the SASF pays the employer's social insurance contributions on behalf of the beneficiary for up to six months. Further support includes Job Referral Assistance (up to three times annually) and a one-time Employment Start Grant. (▶ see Section 2.1).

Step 9
Graduation or continuation

After 12 months, the beneficiary household's status is reassessed. If eligibility persists, support continues. If household conditions have improved, the individual is considered to have graduated from the social assistance system. The decision is based on updated administrative records and, if necessary, a follow-up social inquiry.

2.5 Key elements of digital interoperability

From the social assistance side, the main information system facilitating the process is ISAS. A detailed description of the system is provided in ▶ Box 2. ISAS facilitates referral to employment services by identifying eligible beneficiaries, making referrals to İŞKUR, monitoring participation and compliance, and flagging non-compliance for sanctions. It also supports the administration of employment incentives and post-placement monitoring (Rahbari 2025b).

The respective files for the approach described in ▶ Section 2.4 are pushed from ISAS to İŞKUR. This is not carried out automatically, but actively and in real time (at least bi-monthly), with basic beneficiary information shared to enable service delivery on the employment side. To support this process, a dedicated employment module was introduced within ISAS, which has been operational since 2014 (MoFSS and World Bank 2017).

Box 2. The Integrated Social Assistance System (ISAS)[73]

The Integrated Social Assistance System is a process management and information (informatics) system through which applications from people in need are received, household files are created, and personal data, socio-economic information, and wealth elements are queried from central databases. It retains reports of on-site social examinations regarding the households' socio-economic status, carries out the determination of neediness, issues bank instructions for aid payments, and conducts all automatic accounting actions for these payments electronically. ISAS operates across three main phases of the delivery chain (▶ Figure 1): assess, enrol, and provide/monitor.

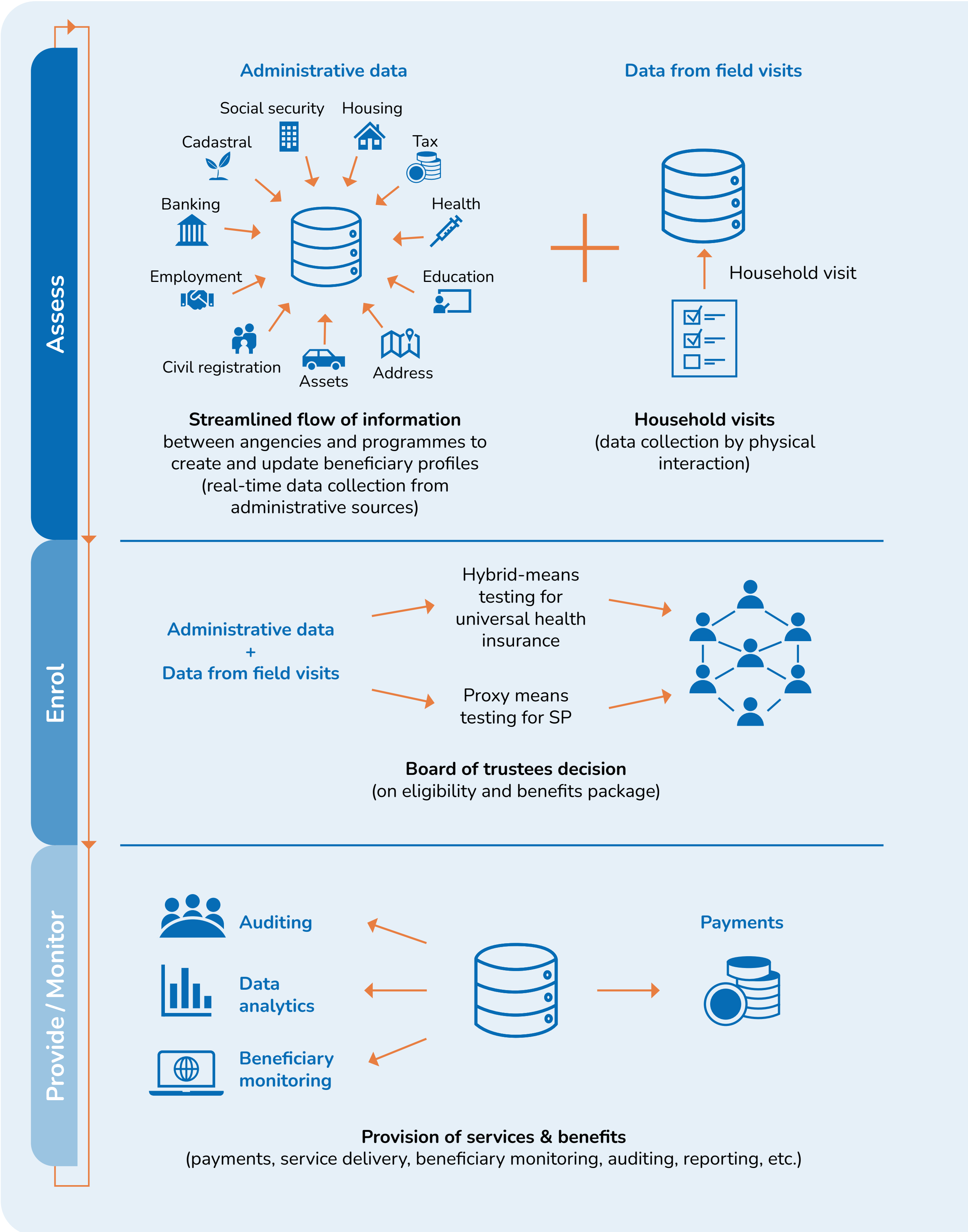
The **assessment phase** combines real-time administrative data from 29 institutions and over 120 databases – covering registries such as civil, banking, assets, tax, employment, health, housing, and education – with socio-economic data collected during in-person household visits conducted by (approximately 9,000) social assistance workers across 1,003 nationwide local SASFs. This hybrid model ensures an accurate, up-to-date social registry that supports comprehensive socio-economic evaluations.

During the **enrolment phase** ISAS provides a dynamic and integrated gateway for multiple social assistance programmes. Based on the data stored in the household-based file during the assessment phase it uses proxy-means testing for social assistance programmes and hybrid eligibility assessments for universal health insurance to generate lists of eligible beneficiaries. Based on all of the data, the Board of Trustees makes the final decision on whether the household is eligible for assistance or not.

The **monitoring function** of ISAS combines automated auditing, data analytics, and beneficiary monitoring to support transparency and efficiency. The system flags issues automatically, which are reviewed and audited by an independent board. ISAS also offers powerful data analytics, using information from over 66 million individuals (Turkish citizens and refugees having a national ID number) and geographic information system (GIS) mapping to support programme planning and policy design. Beneficiary monitoring helps identify registration issues and ensures continuous oversight of service delivery and payments.

73 Based on Rahbari (2025b) and DCI (2025b)

Figure 1. *Three main functions of ISAS*



Among the 29 public entities contributing real-time administrative data to ISAS (▶ see Box 2), İŞKUR plays a pivotal role in providing detailed employment-related information. The data shared by İŞKUR automatically and in real-time includes individual registration status with employment services, job seeker status, information on employment and training, as well as records of unemployment compensation (MoFSS and World Bank 2017).

İŞKUR and other public institutions can access data from ISAS for specific purposes. This access is governed by formal data-sharing protocols. Institutions do not have direct entry into ISAS; instead, they must submit specific data requests, which are processed in accordance with the established agreements.

2.6 Critical success factors and remaining challenges

Several factors have contributed to the seamless implementation of Türkiye's approach to refer social assistance beneficiaries able to work to employment services:

- Through the approach elaborated in this case study, Türkiye established a **clear "rights and responsibilities" regime**: the needy are offered employment support and financial incentives, but are also obliged to cooperate in moving towards self-sufficiency. Legal provisions, notably under Law No. 6704, specify consequences for repeated non-compliance.
- An **incremental and legally grounded approach to reform** has enabled gradual institutionalization of the social assistance-employment link. Over more than a decade, Türkiye has introduced a layered set of instruments, beginning with the 2010 Action Plan, followed by the 2012 cooperation protocol between the MoFSS and İŞKUR, and culminating in the 2016 legislative amendment and the binding 2017 Regulation. These were complemented by operational guidance such as the 2019 Circular on Referrals. This stepwise reform process allowed sufficient time for adaptation, institutional alignment, and digital integration.
- With support from the MoFSS, the SASFs have adopted the identification and referral of employable beneficiaries as a core routine task. The SASFs have dedicated employment officers who serve as focal points for activation and coordination with İŞKUR. This enables tailored follow-up and ensures that referrals are not merely formal, but part of an **active case management process** from the social protection side.
- For ISAS, the **system's architecture was built iteratively and incrementally** by developing and adding modules that are built to complement and facilitate existing business processes. A modular approach allows developers to detect smaller failures without having them overwhelm the whole system. It also adds flexibility and makes it easier to incrementally increase the complexity of the system by building on top

of existing modules. The development of each module follows a cycle that can be summarized in four phases: (1) design, (2) development, (3) pilot application, and (4) implementation (MoFSS and World Bank 2017). This approach has also been applied for the dedicated employment module.

Despite strong institutional, legal and digital foundations, several challenges remain:

- The rollout of the referral system revealed that digital functionality alone does not guarantee effective implementation. Although referrals from ISAS to İŞKUR were technically seamless, the **PES was not fully prepared to absorb the influx of beneficiaries**. Many of those referred had more complex needs than İŞKUR's typical client base, and the system initially struggled to respond with appropriate measures. This experience illustrates that digital integration, while necessary, cannot compensate for insufficient frontline readiness or service adaptation.

- While ISAS and İŞKUR are digitally linked for referrals, the **current interoperability remains one-directional and limited in scope**. Files can be sent from ISAS to İŞKUR, but real-time updates on beneficiary progress are not systematically fed back into ISAS. This creates a gap in the case management process.

- A further constraint lies in the **limited motivation among some beneficiaries to engage in employment or income-generating activities**. In practice, not all employable individuals agree to be referred to İŞKUR. In some cases, the structure or perceived generosity of social assistance benefits may reduce the financial incentive to take up low-wage or unstable employment, especially when the difference between support and earnings is marginal. To address this, incentive measures have been introduced, such as allowing beneficiaries to retain social assistance benefits for up to 12 months after gaining employment and deferring reassessment until that period ends. This gives individuals time to stabilize their income and adjust to new circumstances. However, despite these efforts, the share of beneficiaries successfully transitioning into formal employment remains modest.

2.7 Results of the approach

ISAS itself has helped transform the delivery of non-contributory benefits. Prior to its introduction, an applicant had to obtain 17 different documents from 12 different public institutions, which could take 15 to 20 days. With ISAS, these transactions are completed within 1–2 minutes, saving time and travel costs to travel to different institutions to obtain the required documents. ISAS has also improved the capacity to identify households and deliver payments (ESCAP 2024). Its digital linkage with İŞKUR marks an important step toward integrated case management, enabling the referral of employable beneficiaries to public employment services. This connection holds potential benefits not only for the income prospects of social assistance recipients, but also for improving efficiency and coordination across public administration.

A significant number of social assistance beneficiaries have been successfully referred from ISAS to İŞKUR, demonstrating the operational effectiveness of the digital linkage between the two systems. In 2019 alone, 153,884 employable individuals were registered in İŞKUR's system by the SASFs via ISAS. Among these, 10,694 were directed to public works programmes, 6,361 were referred to vocational training or other active labour market programmes, and 11,662 were placed in jobs. Additionally, 79,233 individuals benefited from face-to-face counselling services (T.C. Cumhurbaşkanlığı Strateji ve Bütçe Başkanlığı 2023).

Despite these structural advances, outcomes of the activation approach remain limited. Only 13.81% of working-age social assistance beneficiaries were able to sustainably transition into employment. A significant share of employable individuals either refuse referrals or discontinue jobs shortly after starting. Consequently, the cost-benefit ratio of the approach remains modest, as relatively low employment outcomes are achieved despite substantial administrative and operational investments (Rahbari 2025b).

Integrating women into the formal labour market remains a significant challenge. This is especially true for women with care responsibilities and low or no qualifications. The limited achievements of the approach in this field highlight the need for a more comprehensive approach that creates more inclusive and supportive work environments for women to significantly increase their participation in the labour market and advance gender equality (ILO 2025c).

2.8 Way forward

To further increase the effectiveness of existing approaches, Türkiye introduced the Household Support System in 2024 as an expansion of İŞKUR's existing portfolio of employment services (▶ see Box 1). While İŞKUR has traditionally operated on the basis of individual profiling, this new initiative adopts a household-based approach to reach people living in households without sustainable livelihoods. The aim is to improve access to income-generating opportunities among households that fall outside the reach of standard activation measures (İŞKUR 2025; Rahbari 2025b).

The new approach specifically targets households that do not include any employed or retired members, do not receive regular social assistance above a certain threshold, and have not previously engaged with İŞKUR services in the past year. To identify and reach these households, İŞKUR draws on administrative data through institutional partnerships with the SGK (Sosyal Guvenlik Kurumu, the government health care programme), the MoFSS, and the Ministry of Internal Affairs. Once households are identified, they are offered career guidance and linked to relevant training, job matching, or labour-market programmes. Their participation is also monitored to support longer-term follow-up (Rahbari 2025b).

Since its start in September 2024, İŞKUR has significantly expanded its outreach and service delivery under the Household Support System. Between September 2024 and April 2025 a total of 1,996 individuals from targeted households participated in active labour market programmes, while 47,294 individuals took part in labour adjustment programmes designed to support transitions into employment. Additionally, 50,491 individuals received individual employment and career counselling. In total, more than 64,000 households benefited from the activities of the programme (Dansuk 2025). Further details are provided in Table 1.

It is noteworthy that significantly more women (43,884) than men (22,063) have participated in the Household Support System. However, despite this higher engagement, a larger number of men were ultimately placed in employment (7,306 men compared to 4,713 women). This disparity underscores persistent gender inequalities in Türkiye's labour market (▶ see Section 2.7) and points to the need for additional strategies to promote formal employment opportunities for women. These include, for example, expanding access to affordable childcare services, strengthening legal protections against discrimination, enhancing women's knowledge of labour rights, and supporting their participation in workers' organizations (ILO 2025c).

Table 1. Participants in the Household Support System September 2024 to April 2025

Activity	Women	Men	Total	Households
Job placement	4,713	7,306	12,019	10,901
Participation in vocational training or on-the-job training	1,199	797	1,996	1,954
Participation in public workfare programme	3,452	1,186	4,638	4,636
Participation in labour adjustment programme	34,520	12,774	47,294	47,126
TOTAL	**43,884**	**22,063**	**65,947**	**64,617**
Provision of counselling	26,289	24,202	50,491	41,926

Source: Dansuk (2025)

Gaps in the one-directional referral process from the social assistance system to public employment services have become increasingly evident, particularly in the lack of operational coordination between frontline institutions and the absence of real-time data exchange between ISAS and İŞKUR systems. These shortcomings were among the key factors driving the introduction of the Household Support System by İŞKUR. The new approach marks the start of two-directional referrals: İŞKUR can now request information on eligible beneficiaries from ISAS and can also refer individuals to SASFs for additional support. This represents a shift in the way vulnerable groups, who are not formal jobseekers and often excluded from conventional employment services, are identified and supported through more integrated and responsive service delivery.

To support this more dynamic model, there is a clear need to further develop ISAS with real-time, two-way interoperability, especially between İŞKUR, SGK, and other relevant institutions. Such integration would enable coordinated case management across employment and social protection systems, with the potential to significantly improve employment and income protection outcomes.

3 Conclusion

Türkiye's experience demonstrates how digital governance, institutional coordination, and integrated service delivery can enable strategic transitions from social assistance to sustainable livelihoods, accompanied by transitions into contributory social insurance schemes. A combination of push and pull factors is actively employed to support this shift (ILO and IPEA 2025).

On the push side, employable beneficiaries are required to register with İŞKUR and participate in labour activation measures such as job search assistance and vocational training. Social assistance design features reinforce these efforts, for example, beneficiaries may retain certain benefits for up to 12 months after entering formal employment, helping to reduce the risk of income volatility.

On the pull side, Türkiye offers a range of targeted incentives to make formal employment more accessible and appealing. These include Job Guidance Assistance and Employment Start Assistance to defray upfront costs, as well as a wage subsidy scheme that covers employer social security contributions for hiring social assistance recipients. Together, these measures create a more coherent and supportive environment for movement into the formal labour market and the contributory social protection system.

At the centre of this transition is ISAS, which not only digitizes and streamlines benefit delivery, but also enables a whole-of-government approach, linking poor and vulnerable households with employment services, skills development opportunities, and long-term pathways toward self-reliance.

Imprint

Published by:
Digital Convergence Initiative (DCI)
International Labour Organization (ILO)

Required citation:
ILO & DCI. 2026. *Linking Social Protection and Public Employment Services (PES) Through System Interoperability.* International Labour Organization.

Authors
Martina Bergthaller, Céline Peyron Bista, Marcelo Cuautle Segovia, Veronika Wodsak, Liyuan Xiao

Responsible for the content
Luis Frota

Editing
Susan Sellars

Layout / Illustrations:
EYES-OPEN, Berlin

Illustration credits
Illustrations based on: © AdobeStock|133461466 and 485934165

Geneva, August 2026

Digital Convergence Initiative (DCI)

The DCI receives funding from the European Commission and the German Federal Ministry for Economic Cooperation and Development (BMZ). The secretariat of the DCI is jointly housed at Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), Expertise France, Foundation for the Internationalization of Public Administrations (FIAP), the International Labour Organization (ILO), and the World Bank.

E-mail: ▶ **contact@spdci.org**

Website: ▶ **www.spdci.org**

Co-funded by

European Union

german cooperation
DEUTSCHE ZUSAMMENARBEIT

Global Gateway

Coordinated by

giz Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

International Labour Organization

THE WORLD BANK

EXPERTISE FRANCE GROUPE AFD

fiap