Digital Convergence
USP 2030

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

Country case study: **Chile**

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Acronyms

AFC	Administradora de Fondos de Cesantía de Chile (Unemployment Fund Management Company)
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
CV	curriculum vitae
FCS	Fondo de Cesantía Solidario (Solidarity Unemployment Fund)
MDSF	Ministerio de Desarrollo Social y Familias (Ministry of Social Development and Family)
MTPS	Ministerio del Trabajo y Previsión Social (Ministry of Labour and Social Welfare)
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)
RSH	Registro Social de Hogares (Social Registry of Households)
RUN	Rol Único Nacional (National Unique Identification Number)
RUT	Rol Único Tributario (Tax Identification Number)
SEJ	Subsidio al Empleo Joven (Youth Employment Subsidy)
SENCE	Servicio Nacional de Capacitación y Empleo (National Training and Employment Service)
SII	Servicio de Impuestos Internos (Internal Revenue Service)
SMT	Subsidio al Empleo de la Mujer Trabajadora (Employment Subsidy for Working Women)
VUS	Ventanilla Única Social (One-Stop Social Service Centre)

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 2024), 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 2022). 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 re-insertion: 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.[1]

1 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%	
	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.).

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.[2] 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).

2 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.[3]

3 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)[4]

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.[5] 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.[6]

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.[7]

4 Based on World Bank (n.d.).

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

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

7 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[8]

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.

8 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.[9]

- 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).

9 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 2025).

- 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.).

- 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.[10] ▶ 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).

10 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.

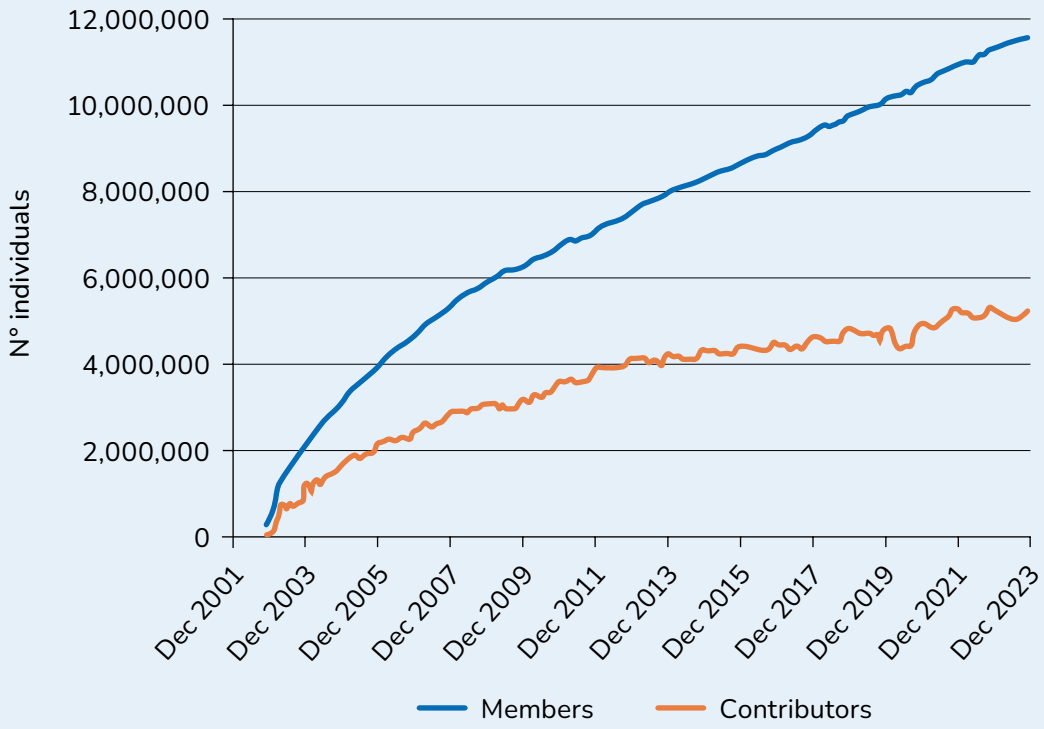


Figure 1.
Number of members and contributors to unemployment insurance

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.[11] 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 2024a).

11 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) – Chile's 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.[12] 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.[13]

12 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.

13 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.[14]

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[15]	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[16]	5%	16.6%

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

15 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.

16 Garda and Caldera Sánchez (2025)

Box 4. The Social Information Registry (RIS) and the Registro Social de Hogares (RSH)[17]

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).

17 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.[18] 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.

18 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[19]

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.[20] Once submitted, applicants receive an automatic message confirming that their application is being processed.

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

20 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)[21]

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

21 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 2025). 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.[22]

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).

22 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 2025).

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 2024b). 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 un-employment, 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.

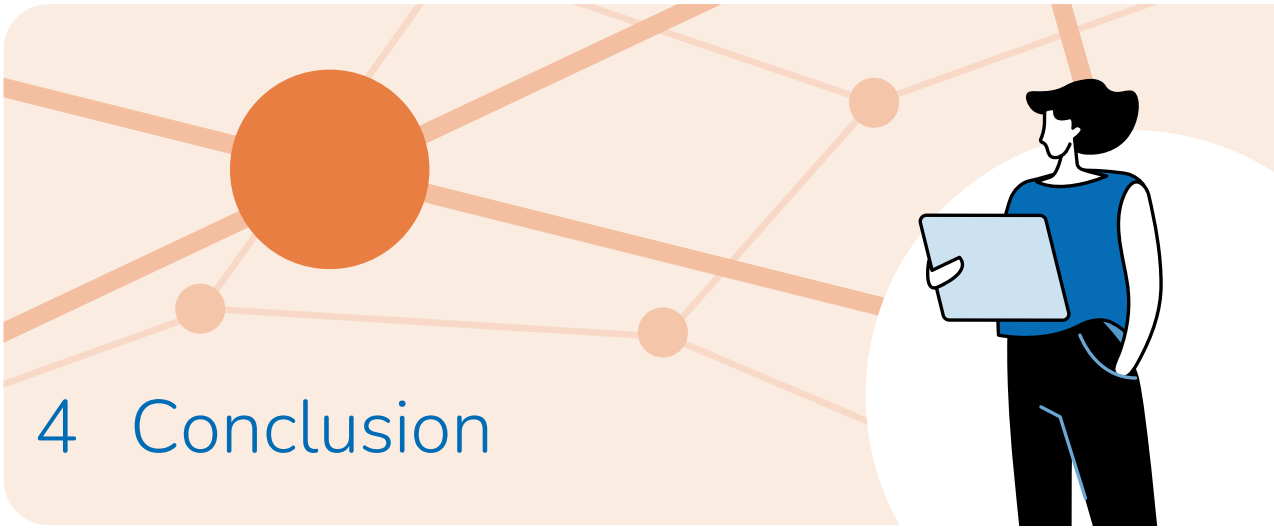
The unified subsidy will prioritize young people (18–24 years), women (25–54 years), older workers (55 years and above), and persons with disabilities registered in the National Disability Register. Eligible workers may receive a subsidy of up to 20% of their gross monthly wage for a maximum of 12 months, 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.

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