




GOBIERNO DE
CHILE

MINISTRY OF LABOR AND SOCIAL SECURITY

National Training and Employment Service - SENCE

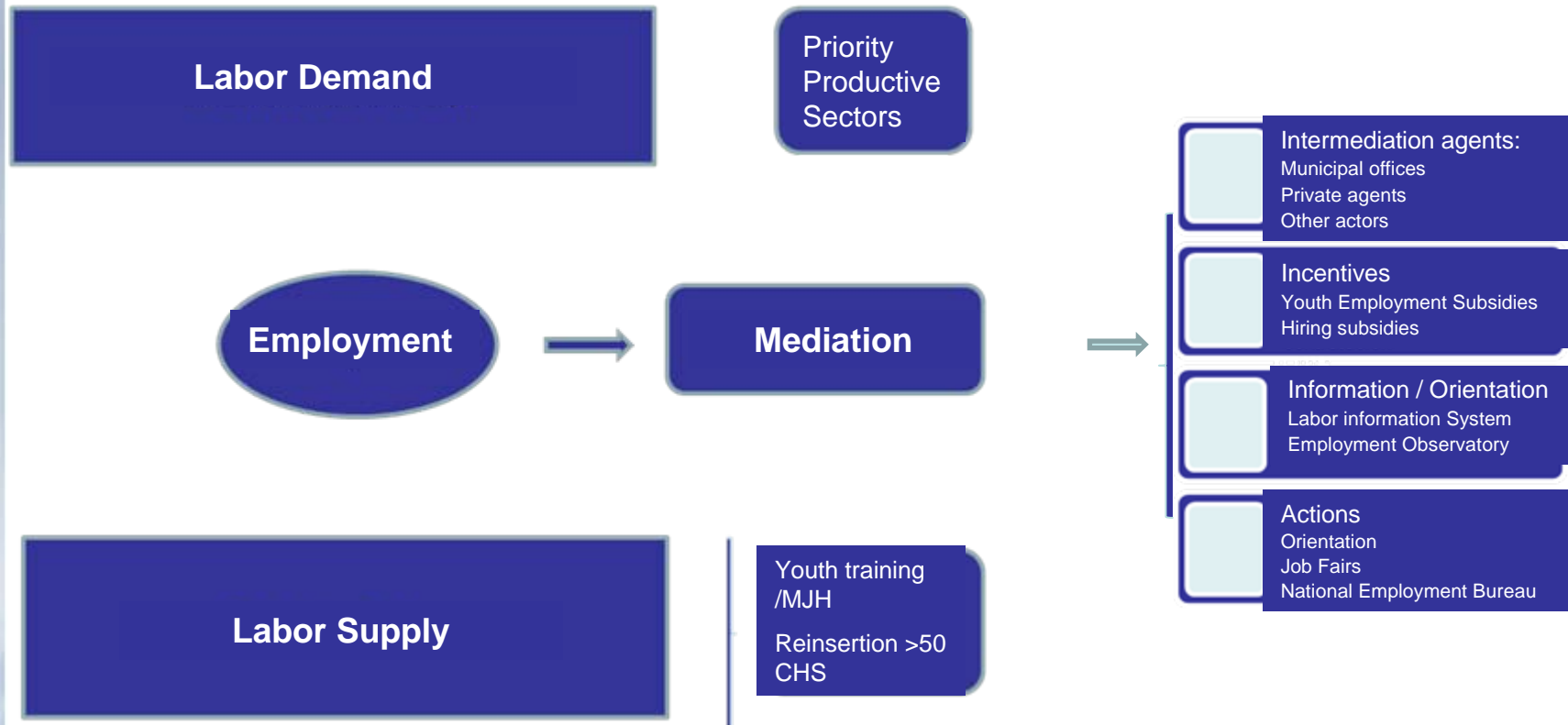
PRESIDENTIAL OBJECTIVES APPLICABLE TO SENCE



Strategic Objective	Leverage	Goal
Increase access to jobs	Increase job offer	200,000 new jobs per year
	Connects supply and demand	Labor Intermediation System
Improve quality of work	Increases worker's productivity and employability through training	1,250,000 workers trained per year

(1) Associated to Strategic Presidential Issues, based on May 21 Speech

MAKE THE ORGANIZATION AND THE PROGRAMS “CUSTOMER-FOCUSED”



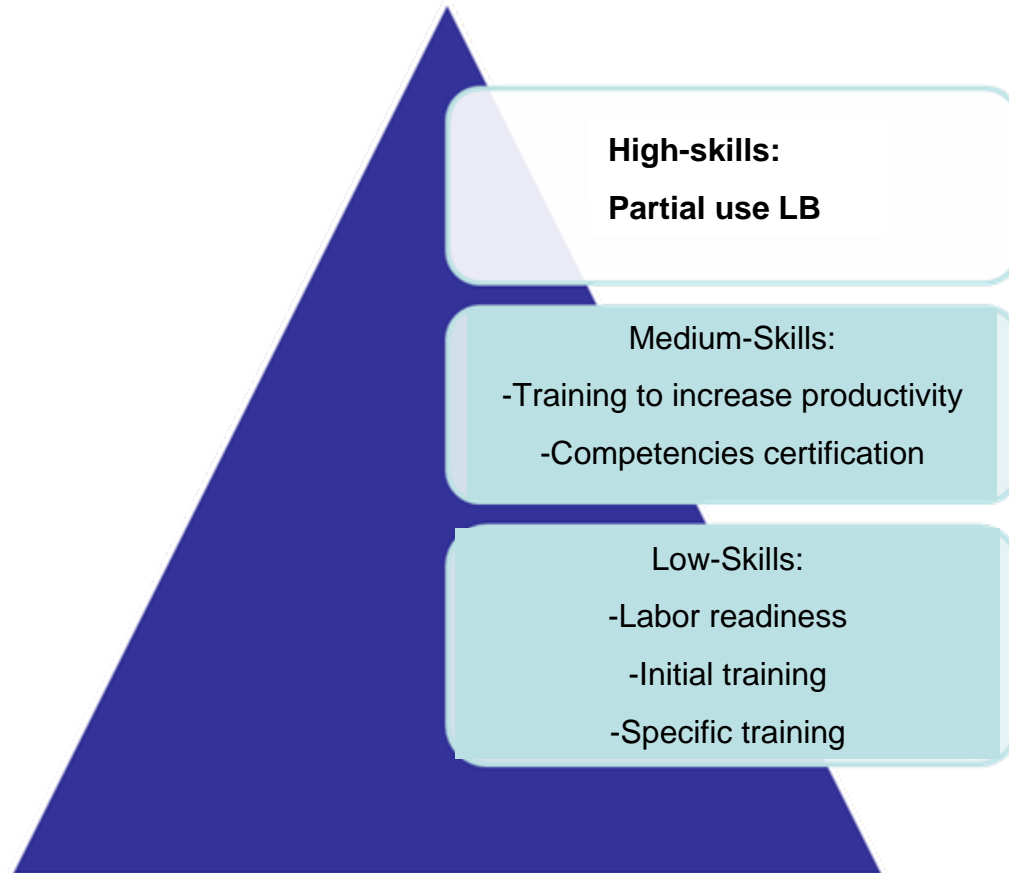
EMPLOYMENT POLICY IN CHILE

- There is no explicit national public-private employment system
 - Plurality of initiatives and programs, not necessarily consolidated.
 - **Programs oriented to mitigate the consequences of unemployment**
 - **Unemployment insurance**
 - **Programs oriented to maintaining or increasing of the volume of employment offered**
 - **Program oriented to increasing employability** (better earnings, decision-making positions, better contractual conditions)
 - **Labor Intermediation**, through OMIL Municipal Offices



INTERVENTION IN THE JOB SUPPLY:

SENCE Public Intervention Focused on Youth, Women, People over 50 and CHS



Provide a Strong Boost to Employment through Different Instruments

Strategic Objective	Instrument	Levers
Increase Access to jobs	Trade Training Program	Increases Worker's productivity
	On-the-Job Training Program	
	Certification of Labor Competencies	
	Employment Subsidy	Increases Job Supply
	Labor Intermediation Voucher	Connects supply and demand
	Labor Intermediation Program - OMIL	
	Certification of Labor Competencies	

Summary of Training Focus

Groups	Instrument	Vulnerable Groups			Total Population
		Youth	Women	Over 50	
Workers	Tax Exemption	X	X	X	X
	TA/DG Voucher	X	X	X	X
Easily Employable Redundants	OJT	X	X	X	
Chronic, Terminated/ First employment	Training in Trades	X		X	
	MJH		X		

MAIN EMPHASIS FOR 2011

- Highlights for 2011:
 - Creating a million new and good jobs 2010-2014
 - Strengthening the labor intermediation system through the implementation of an employment voucher, the new National Employment Bureau and the strengthening of OMIL
 - Increasing the number of female beneficiaries of the youth employment subsidy
 - Improving the coverage and quality of training
 - Boosting the system, training 1,250,000 people in 2011, with increased quality, coverage, pertinence and articulation
 - Increasing the use of the Tax Exemption
 - Training voucher for active workers
 - Training voucher for owners/ managers of micro and small enterprises
 - Strengthening the on-the-job training program
 - Focus on Training in Trades for vulnerable groups
 - Modernizing and increasing the operational efficiency of the Sence
- Technology, Processes and Organization



EXPLANATION OF THE NEW PROGRAM

■ TRAINING:

■ Active Worker Training Voucher:

- The creation of a Training Voucher was part of the proposals of the Labor and Equity Committee
- To increase training coverage and attain greater worker participation
- This group was not well covered by either the tax exemption or FONCAP
- CH\$20,660,000 budget, and coverage of 66,650 beneficiaries.
- Description:
- Objective: to make it possible for workers to choose their training from a limited list of subjects oriented to improving their employability
- Courses defined in accordance with the regional employment opportunities.
- Oriented to active workers of the I, II and III quintiles. To prioritize active low income workers
- Voucher of up to CH\$300,000, with a co-pay (course fee) of 20% and reimbursement if the course was successfully completed (Attendance and Passing grade)



EXPLANATION OF OTHER PROGRAMS

■ TRAINING:

■ MYPE Training Voucher Program

- It increases the current coverage of similar programs- -From 35,500 to 37,500 beneficiaries
- The program's operation is redefined to allow for choice of course and suppliers
- It is oriented to management tools for improved competitiveness of micro and small enterprises
- Regional definition of the course topics

■ On-the-Job Training Program

- It increases the current coverage of similar programs
 - From 8,180 to 12,300 beneficiaries
- It includes 50% minimum wage subsidy during 5 months plus CH\$200,000 for training
- It reinforces learning by combining experience and complementary training

■ Trade Training Program:

- It increases the current coverage of similar programs (*Jóvenes Bicentenarios* and *Especial de Jóvenes*) - From 13,500 to 15,000 beneficiaries
- Compact programs of 300 to 400 hours that include trade training, preparation for employment, orientation and intermediation. Design aimed at drop-out reduction.

EXPLANATION OF PROGRAMS

- **YOUTH EMPLOYMENT SUBSIDY:**
- Budget increase in accordance with the implementation of Law 20.338
 - Budget CH\$ 47,293,000
 - Description:
 - Beneficiaries:
 - Employed and self-employed workers aged 18 to 25 belonging to the most vulnerable 40% of the population
 - Employer companies that hire the beneficiary youth
 - Potential beneficiaries: 322,000 youth (Source: Casen 2009)
 - Amount paid
 - The Youth receive up to CH\$34,000 per month
 - The company receives up to CH\$17,000 per month
 - Budget increase for larger number of beneficiaries :
 - Beneficiaries in 2011: 140 thousand
 - Beneficiaries in 2010: 105 thousand



PBCMO Chile Solidario System

ADULT LINE (CHS)

Characteristics: Bonus for hiring unemployed individuals aged 30 or over, of 50% of the minimum income for a period of 1 to 4 months, renewable for another 2 months, CH\$100,000 for optional training of at least 25 hours, and monthly voucher for transport expenses and meals of CH\$33,000 and CH\$22,000 respectively.

MONTHLY BONUS: CH\$86.000

BONUS FOR 6 MONTHS: CH\$516,000

TRAINING BONUS: CH\$100,000

VOUCHER BONUS FOR 6 MONTHS: CH\$330,000

TOTAL BONUS: CH\$946,000.-

OMIL COMPONENT

Characteristics: Incentive to OMILs for each person placed in a job.

For this line the budget available is CH\$539,784,000.-



PBCMO Chile Solidario System



YOUTH LINE (JCHS)

Characteristics: Bonus for hiring unemployed youths aged 18 to 29, of 50% of the minimum income for a period of 1 to 4 months, renewable for another 4 months, CH\$370,000 for optional training of at least 92 hours, and monthly voucher for transport expenses and meals of CH\$33,000 and CH\$22,000 respectively

MONTHLY BONUS: CH\$86.000

BONUS FOR 8 MONTHS: CH\$688,000

TRAINING BONUS: CH\$370,000

VOUCHER BONUS FOR 8 MONTHS: CH\$440,000

TOTAL BONUS: CH\$1,498,000

OMIL COMPONENT

Characteristics: Incentive to the OMILs for each person placed in a job.

For this line the budget available is CH\$359,856,000.-

PROGRAM EXPLANATIONS

- **LABOR INTERMEDIATION AND CERTIFICATION SYSTEM**

- Labor Intermediation Voucher Implementation:

- Budget CH\$3,099,000 and expected coverage of 20 thousand beneficiaries.
- It will work with Private Intermediation Agents who will be responsible for the labor market insertion of dismissed workers belonging to the I and II quintiles. The payment will be made once the beneficiaries have a formal job contract.
- Program developed jointly with MIDEPLAN

- Labor Intermediation Program:

- Budget of CH\$2,479,000; with plans to sign management agreements with 300 OMILs
 - Program aimed at strengthening the work of OMILs, including orientation and labor intermediation.
 - It includes a fixed payment, plus a variable payment, depending on the number of beneficiaries who succeed in finding a job.
- Labor Competencies Certification Program
 - Budget aimed at providing continuity to the National Labor Competencies System
 - Support to the role played by *Chilevalora*
 - It includes a private co-pay for the certification provided by companies, which makes it possible to increase coverage quotas



IN SHORT....



...We have created job placement incentive systems, with the goal of promoting the labor insertion of: youth aged 18 to 25, female heads of household, long-term redundants (over four months without a job), **beneficiaries of *Fondo de Cesantía Solidario***, redundants aged over 40 and beneficiaries of the *Chile Solidario* system.

In short: Implementation of a results-focused investment mechanism.

