



Job Creation and Local Economic Development 2020: Rebuilding Better examines the impacts of COVID-19 on different types of local labour markets. It also considers their performance prior to the pandemic, and how COVID-19 could impact other ongoing local labour market transitions such as digitalisation, automation and the polarisation of jobs. Finally, it discusses the role local actors will play in rebuilding better. Consult the full publication [here](#).

Chile¹

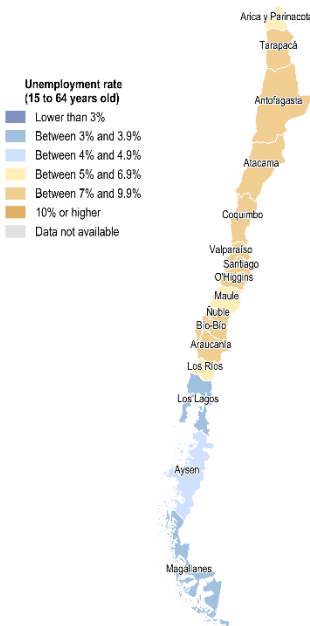
The Región Metropolitana de Santiago accounted for over 40% of all employment in Chile, over four times more than Valparaíso, the region with the second-highest share of employment.

High-skill employment is geographically concentrated in Chile. The Región Metropolitana de Santiago houses nearly 50% of all high-skill employment in the country.

Following general OECD patterns, in Chile, most, but not all, regions saw the share of middle-skill jobs decrease between 2010 and 2018.

Local labour market performance prior to COVID-19

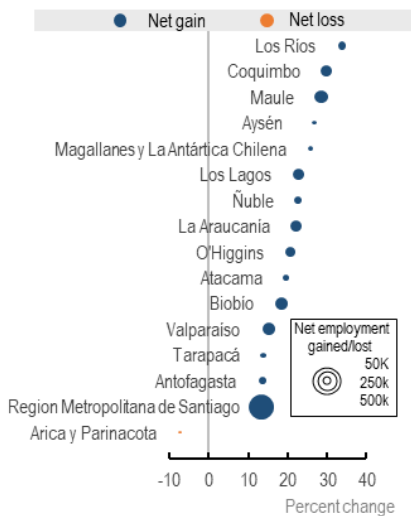
Unemployment rate, 2019



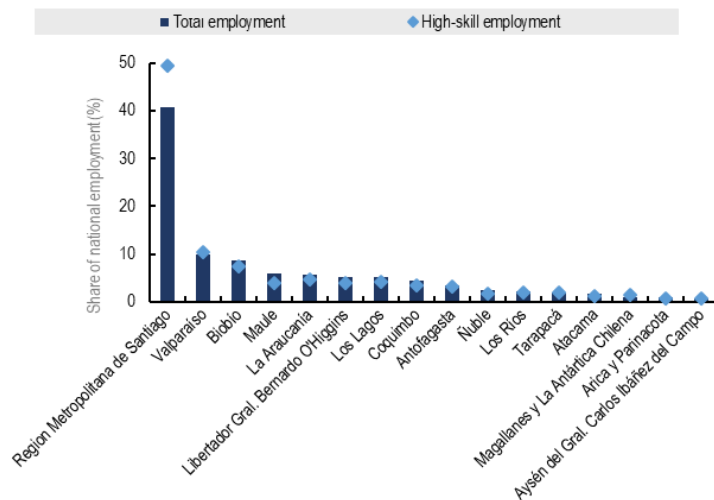
Before the COVID-19 pandemic, the unemployment rate in Chile was above the OECD average, but varied over two-fold across regions, from a low of 3.4% in Los Lagos to a high of 9% in Atacama.

Note: The unemployment rate is computed as the share of unemployed people over the labour force, for the age group 15-64.
Source: OECD (2020), "Regional labour markets", *OECD Regional Statistics (database)*, <https://doi.org/10.1787/f7445d96-en>.

Change in net employment, 2010-2018



Employment by region and skill level, 2018

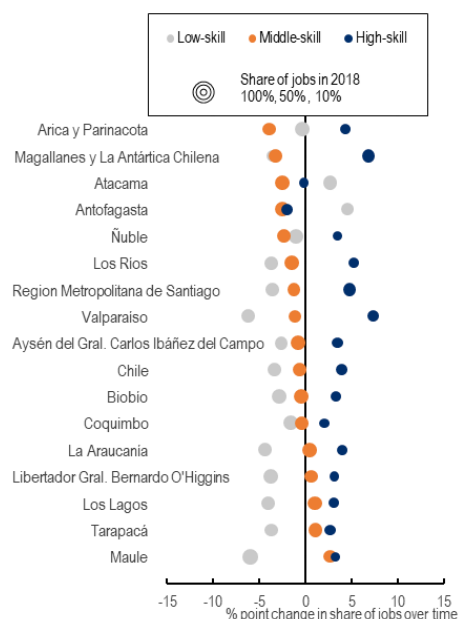


Source: OECD (2020), "Regional labour markets", *OECD Regional Statistics (database)*, <https://doi.org/10.1787/f7445d96-en> and OECD calculations on *Encuesta Nacional de Empleo*.

In all but one region in Chile, the number of people employed grew between 2010 and 2018. The Región Metropolitana de Santiago was responsible for around a third of net employment growth over this period, and in 2018, it accounted for over 40% of total employment in Chile and almost 50% of all high-skill employment. Over this time, the geographic concentration of jobs (as measured by the number of people employed) decreased in Chile for both high-skill and total employment.

Local labour market transitions

Job polarisation, 2010-2018



Following general OECD patterns, in Chile most regions saw the share of middle-skill jobs decrease between 2010 and 2018. However, these decreases were relatively small and did not exceed 4 percentage points in any region. In most regions, decreasing shares of middle-skill jobs were predominantly offset by increasing shares of high-skill jobs, although in Atacama and Antofagasta, the share of low-skill jobs grew relatively more than both middle and high-skill jobs.

Note: High-skill occupations include jobs classified under the ISCO-88 major groups 1 (legislators, senior officials, and managers); 2 (professionals); and 3 (technicians and associate professionals). Middle-skill occupations include jobs classified under the ISCO-88 major groups 4 (clerks); 6 (skilled agricultural workers); 7 (craft and related trades workers); and 8 (plant and machine operators and assemblers). Low-skill occupations include jobs classified under the ISCO-88 major groups 5 (service workers and shop and market sales workers); and 9 (elementary occupations).

Source: OECD calculations on *Encuesta Nacional de Empleo*.

Active labour market policies: institutional arrangements

Active labour market policies will be of growing importance as the COVID-19 response moves from emergency supports to facilitating labour market transitions. The institutional arrangements for these policies, and the role of subnational governments, varies significantly across countries.

	Centralised, including branch offices of national ministry / agency	In Chile public employment services are responsible for most active labour market policies. PES is a shared responsibility between the central government and municipalities. Municipal employment offices (Oficinas Municipales de Información Laboral - OMILs) are run by municipalities but are overseen and financed by the National Employment and Training Service (SENCE) within the Ministry of Labour and Social Protection. SENCE also manages an online national job portal (Bolsa Nacional de Empleo – BNE).
	Decentralised to subnational governments	
	Fully outsourced or delivered through network of public, private, and/or non-profit providers	
X	Combined system with shared competences, or different systems for different target groups	

Source: OECD (forthcoming), "Local and regional variations in labour market and skills policies: A cross-country comparison", *OECD Local Economic and Employment Development (LEED) Papers*; OECD (2017), *Making Decentralisation Work in Chile: Towards Stronger Municipalities*, <https://doi.org/10.1787/9789264279049-en>.

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¹ Data is presented at the TL2 level, which typically corresponds to the first administrative tier of subnational government. See Reader's Guide of the full report for more information on the methodologies behind the calculations.