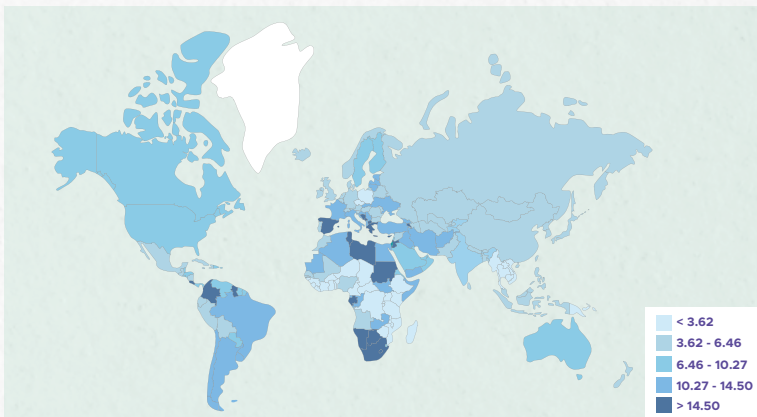




Employment and current labor dynamics

The world of work is changing rapidly, and new employment models need to be designed to channel that change into creating stronger and fairer labor markets. Job creation was already high on the global agenda before the arrival of COVID-19 and is even more relevant as a result of the economic devastation caused by the pandemic (see map). The most successful approaches will take into account the demographical changes (such as the rise of young population and the middle class) and the changing job roles, and take advantage of the Fourth Industrial Revolution as a way of designing workplaces that ideally meet the needs of both workers and their employers.

2020 Total unemployment (% of the total active population)



Source: World Bank 2021

This issues note presents the six labour dynamics that are being transformed in the world and that represent challenges to achieve a strong and trend setting labour market.

Training and certification system (Reskilling)



The 4th Industrial Revolution and the demographic changes created the need for a more flexible and mobile training and certification system capable of adapting to the needs of the market. People need to retrain throughout their working lives and be able to benefit from short, modular and diverse learning formats. This calls for a paradigm change that differs from the current education model and that is closer to one that embraces a need for continuous training throughout life. Furthermore, all learning must involve a contemporary curriculum, which encourages cognitive flexibility, curiosity, creativity, imagination and a passion for further learning. According to a report published in 2018 by the McKinsey Global Institute, about 14% of the world's workforce may need to change occupational categories by 2030, due to the increasing digitization, automation, and the advances in artificial intelligence.

Job inclusion mechanisms



The sheer number of motivated people who are unemployed, underemployed, or stuck in low-quality jobs shows the need for a better way to connect talent with economic opportunities¹. Therefore, it is necessary to expand, to a greater number of people, the opportunities to access the labor market, regardless of their ethnic origin, physical condition, gender identity or sexual orientation. While some progress has been made with regard to the proportion of women in the workforce and laws prohibiting discrimination, a lack of inclusion has persisted, particularly in relation to women and young people in developing countries. Some of the most common measures used to combat bias include education about diversity and legal or tax incentives. This has made it possible to demonstrate that it is more effective to bet on generational changes than on individual perspectives.

Unemployment Rate in Colombia

	July 2019	July 2020	July 2021
Men	8,3 %	16,0 %	10,9 %
Women	13,2 %	25,9 %	18,6 %

Source: DANE - Continuous Household Survey, Great Integrated Household Survey



Job creation and entrepreneurship

The pace of job creation in the world has been slow, moreover, when new jobs are created they are generally not of high quality, or the related process is not inclusive². To meet this challenge, creative entrepreneurship will be necessary. According to the report published by the Omidyar Network and Endeavor Insight in 2012, high-growth entrepreneurial companies, on average, create more than 200 jobs each time they expand, much more than traditional small and medium-sized companies. Therefore, allowing start-up companies to quickly scale up in size is one of the mechanisms that business leaders, and policymakers, must focus on in order to help solve the global crisis of job creation.

New work models



Global labor statistics tend to omit contract modalities such as temporary work, part-time work or self-employment, focusing only on full-time and permanent employment. However, the research from the World Economic Forum³ suggests that a significant portion of the net job growth since 2005 has been in the independent and self-employed categories, this means that what was once considered "non-standard" work is becoming the new norm. Furthermore, the rise of "platform" economies (such as Amazon or Uber) has created more flexible work opportunities and a "gig economy"⁴. However, this flexibility is rarely an advantage for workers and usually transfers only benefits to companies. A greater variety of work models should be officially recognized and an adequate regulation created, in order to offer quality and safe jobs.

Permanent remote work



Finding new ways of organizing work within companies has become a determining factor in their economic success or failure. As the global economy changes from an emphasis on traditional products to a focus on Information and Communications Technologies, change is taking place within organizations as well. Now, companies must provide structure, culture, and processes for already established jobs and products, while also providing new and different job designs for tomorrow's technology-product-market combinations. The COVID-19 crisis accelerated the trend of remote work through virtual teams. As more companies (such as Twitter and Microsoft) announce changes in their work methods, this will shape new trends to the point that a new work reality will be imposed.

Innovation of social protection policies



New work models and technological disruption require innovative regulation aligned with the needs of workers. Adequate social security can offer workers, at least in the short term, solutions to combat periods of unemployment, obsolete skills and the emergence of new forms of work. These protections are important to ensure human dignity in the face of the large-scale social and economic disruption caused by the 4th Industrial revolution. However, according to the world report on social protection of the International Labor Organization for the year 2017 - 2019, only 29% of the world's population has adequate social security coverage to protect themselves from disruptions in the labor market

1. Strategic Intelligence. World Economic Forum, 2021
 2. World employment and social outlook report. International Labour Organization
 3. World Economic Forum report, 2020
 4. The GIG economy is also known as the collaborative or freelance economy. It refers to the independent workers who work through the internet.