



Lessons learned and lessons to be learned about labor markets in Colombia since 2020.

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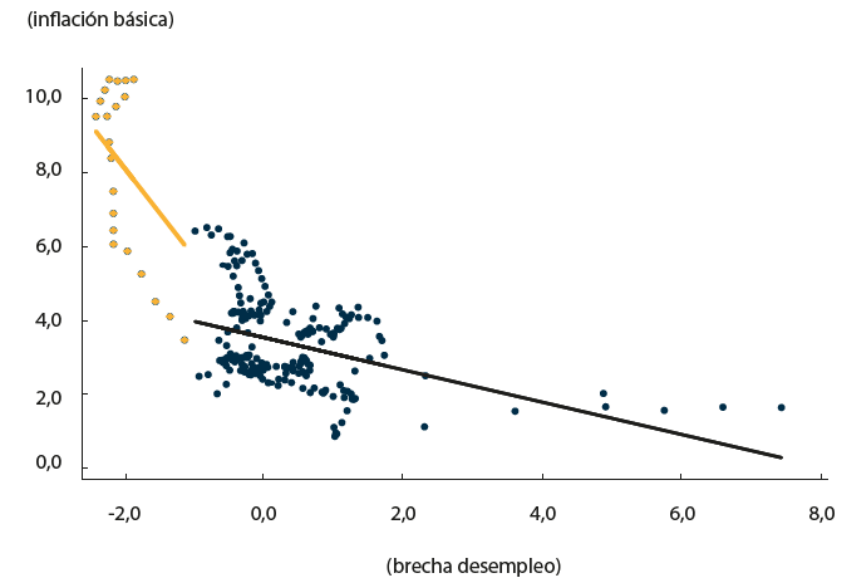
BIS-CCA conference, Mexico City, Oct/25

What have we learned:

- As documented elsewhere, the Philips curve steepened: the yellow points in the graph correspond to the years 2022-2023.
- This has implied low sacrifice for monetary policy. The current contractionary stance of the Colombian monetary policy has coincided with historically low unemployment rates.

Gráfico 23
Ajuste lineal partido y cuadrático sin controles

A. Ajuste interactuado

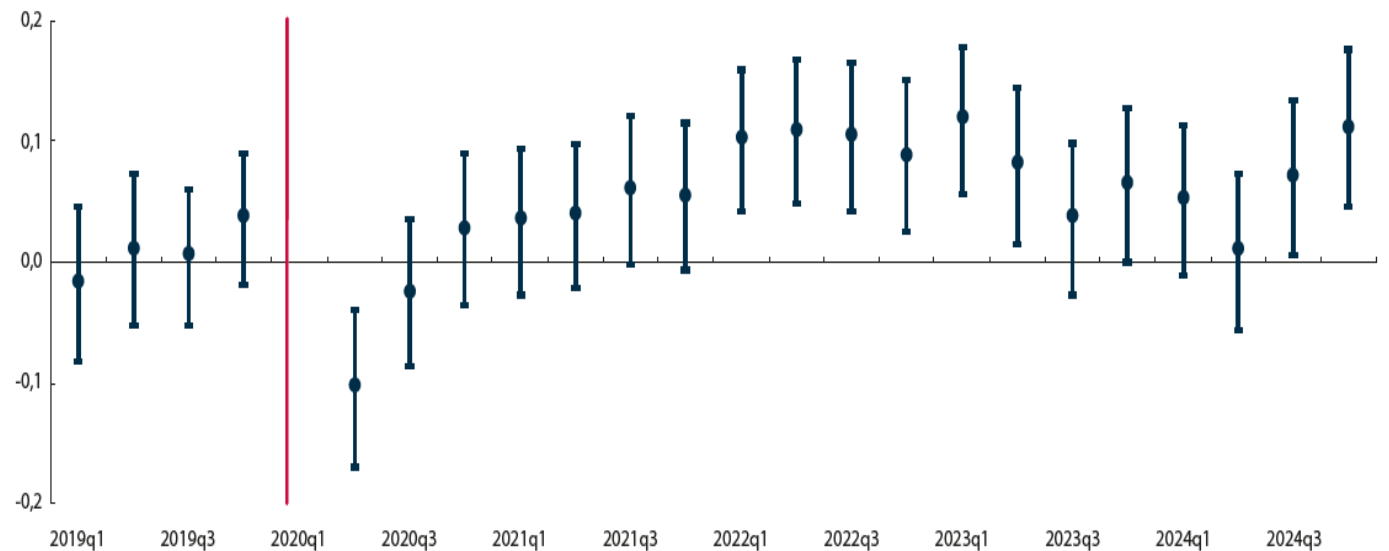


Fuente: cálculos propios.

- Telework has come to stay. The graph shows a permanent increase in vacancies suitable to telework.
- Consequently, there is evidence that this segment has increased the efficiency of the labor market.
- We don't know the extent to which Colombian workers are participating in international telework markets.

Gráfico 27

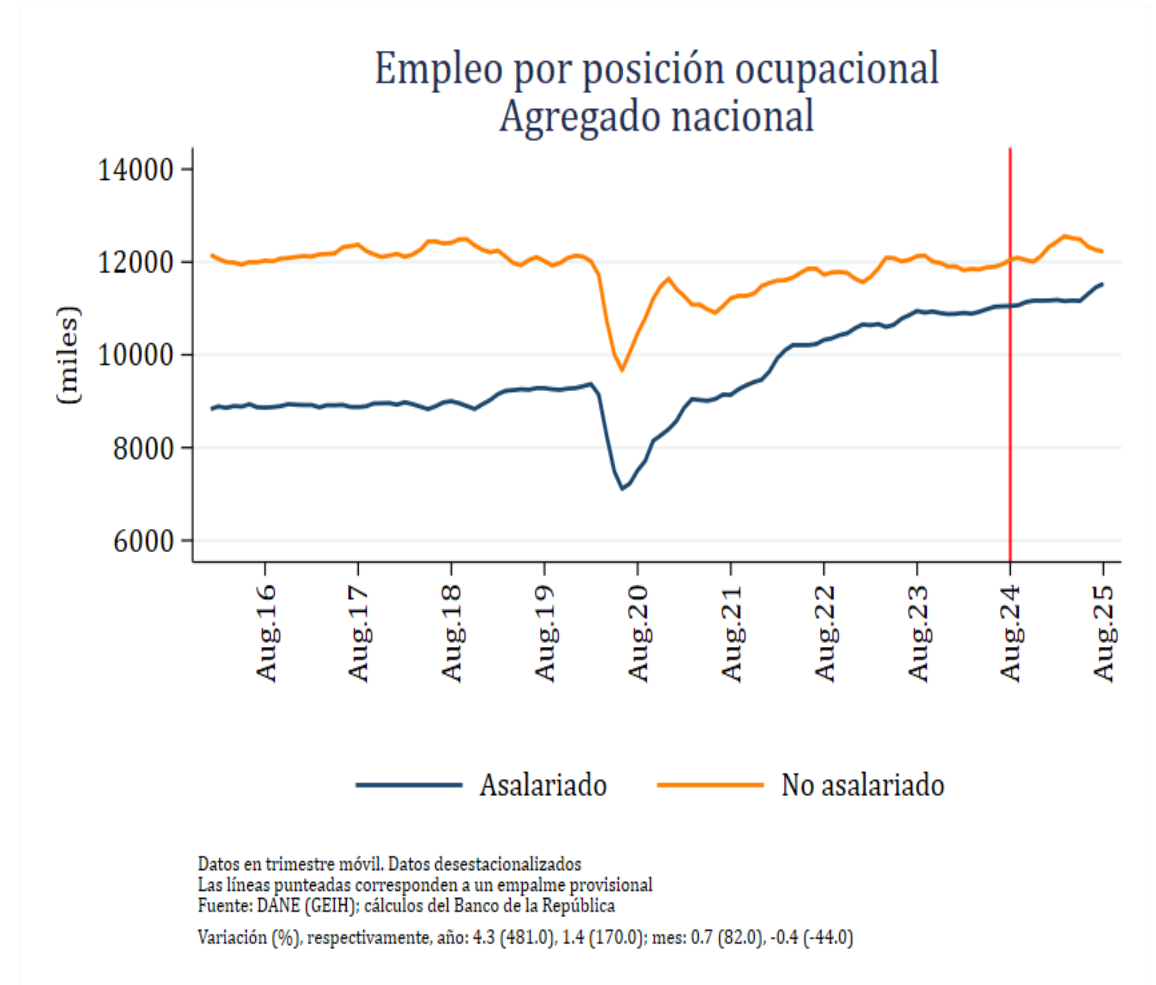
Incremento de las vacantes en segmentos expuestos al teletrabajo después de la pandemia



Nota: periodo base: primer trimestre de 2020.

Fuente: cálculos del Banco de la República.

- Informality is a key component of labor markets in Colombia and other similar economies.
- This feature of the market is important to anticipate the impact of policy decisions –both macro and micro.



What are the open questions?

What should we expect about the effects of technological shocks: telework, automation and AI?

- About telework: we know that wages have not been impacted. We don't know what is happening with international telework that may be driving up remittances.
- About automation: we have documented a pandemic-related (temporary) impact on jobs that could be automated.
- About AI: we don't know anything...

What are (and wil be) the effects of demographic change (including migration)?

- Births have fallen by more than 20% since 2022. This doesn't aft the labor force directly just yet, but may affect participation rates immediately (in many directions).
- After a massive immigration of Venezuelans, an unknown number left. Also, an unknown number of Colombians left the country. The first problem is data! Then there are the finer effects: remittances, participation rates, etc.



GRACIAS
