From the Managing Editor

Welcome to the second issue of the *Australian Journal of Labour Economics* (AJLE) for 2022. In this issue we have, as usual, a range of articles which will be of interest to our readers covering a range of labour market issues and using a variety of approaches to research. But first we have a paper in an occasional series covering a topic of general interest to readers. Jeff Borland of Melbourne University has written a paper providing a framework for thinking about labour supply policy in Australia. Several major future challenges for labour supply are identified and the main types of policies that can be used by government to deal with those challenges are described. Recent developments for groups likely to feature in discussions about increasing labour supply are briefly reviewed. I think this insightful paper will be of interest to academics and, particularly, practitioners and policymakers.

The second paper, by Alison Preston of The University of Western Australia, examines what happened as a result of the Commonwealth government allowing early access to superannuation savings during the COVID-19 pandemic. The research utilises the method of logistic regression analysis to HILDA data to examine the probability of a person reporting withdrawing money from any of their pension funds because of the coronavirus crisis. A range of factors were considered but the main focus is the relationship with financial fragility and financial literacy, The results demonstrate that those who are financially fragile, those with lower financial literacy, younger, less qualified, low income and precariously employed individuals were more likely to make a withdrawal under the scheme than their older, better educated and wealthier individuals. This suggests that financial need, associated with adverse events, such as job loss, is a particularly important driver. From a gender perspective, the gender gap, with respect to superannuation balances, widened during the scheme. This is likely to have exacerbated existing gender gaps in savings, thus increasing women's risk of economic insecurity in retirement.

The paper by Daehoon Nahm, Michael Dobbie and Craig MacMillan of Macquarie University examines the question of why union members on average receive greater wages than non-union members and why there is less dispersion in wages among union members. Research on this topic has a long history in labour economics but the authors concentrate here on the possibility that it might be differences in human capital endowments that explain these phenomena. They employ quantile regression and decomposition techniques to HILDA data. Their results suggest that the union-non-union wage differential tends to diminish the higher up the wage distribution and for males at the very top there may be no effect from union membership. They find that most of the observed union-non-union wage differential is due to the possession of superior human capital endowments by unionists. Also, the analysis shows that these endowments also tend to be more homogeneously distributed among unionists and this is the main reason that union wages are more compressed.

Linda Isherwood and Megan Moskos from the University of Adelaide and Zoei Sutton of Flinders University, seek to explain persistent gender patterns in employments, such as an overrepresentation of men in high status, highly paid and executive roles and overrepresentation of women in less (monetarily) valued care work. This gender-bias in employment has long been a concern for social policy. The authors employ data from a range of sources to examine whether and where gender bias is evident in the Australian healthcare and social assistance sector and whether it has changed over time. They refer to their techniques as 'mapping exercises'. They maintain that such mapping exercises are of value to scholars, policy makers and others seeking to address gender bias in employment. What these statistics show is that female domination in the healthcare and social assistance sector remains an issue and seems largely impenetrable by existing policy initiatives. The authors suggest that a major policy objective should be to improve male representation in the industry. They propose a multidimensional approach to the promotion of men's employment. This would include a collaborative effort from government, professional bodies, educational and industry organisations, guided by a gender-informed social policy specifically tailored around the improvement of men's recruitment and retention in the sector. Such a policy package could include the introduction of quotas for male employment, increased expenditure on mentor programs, retraining programs for employees from traditionally masculine industries in decline; and improvements to workplace conditions and remuneration.

Mabel Andalón and Matthew Jones of the Productivity Commission, in the final paper, present what they call a simple model of working from home. To the best of our (the Editors) knowledge, this is the first paper to develop a model, from microeconomic theory, of the decision of how many hours a worker should supply working from home vs. working in the office. From this perspective, we feel it is highly relevant and a significant contribution. The model was developed as part of a Productivity Commission research project to explore the possible economic effects of working from home in response to the forced experiment of working from home caused by the COVID-19 pandemic. Making certain assumptions about labour demand and supply the authors found that increased access to work from home increases labour supply. This increase is larger for individuals with longer relative commutes, as the time saved from commuting can be distributed between work and non-work activities. The labour supply increase is largest among those people who have a stronger preference for working from home. Commuting is a major cost which is borne entirely by the individual who supples labour and the removal of the constraint which prohibits working from home (i.e. allowing working from home) unambiguously increases individual utility — largely because of this commuting cost. The model predicts that paying a different wage to office vs. home-based labour yields an economically efficient outcome. However, when wages cannot vary by location, firms and workers will likely make adjustments over time to make the distribution of work more efficient, such as by investing in home-based work technologies, or by developing processes to make distributed work more productive.

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Managing Editor