

# From the Managing Editor

Welcome to the last issue of *AJLE* for 2024. As usual it contains a range of papers which are of interest to a varied audience interested in labour economics and labour market issues. This issue of the journal includes an article in our irregular series of articles by experts in the field covering topics of interest to labour economists, students and practitioners.

It has been a busy time at the *AJLE* organising the Australian Labour Market Research (ALMR) Workshop that was held in February in Canberra and hosted by Jobs and Skills, Australia and sponsored by the Australian Bureau of Statistics. The purpose of the Workshop is to disseminate high quality research in labour economics and labour relations and to promote informed public debate about current labour market issues. This year's Workshop certainly met this objective. Participants and discussants included senior academic economists and labour economists in the public and private sectors. Early career researchers, including PhD students close to completing, were particularly encouraged to submit papers and made up a healthy proportion of participants. Any theoretical, applied or policy related papers on any aspect of the labour market are welcome and the Workshop contained a good mix of papers of interest to researchers and practitioners in labour market issues and policy. We hope you will consider offering a paper for the next workshop – a notice will be coming out shortly.

The first paper in this issue is by Jeff Borland, of Melbourne University, and is based on his invited address to the recent 34th ALMR Workshop. Previous invited presenters have included ANU's Bruce Chapman, on Australian and international experiences of HECS-type funding of higher education, and Peter Dawkins, on the role of the labour economist in public policy.

Jeff's paper discusses an approach to understanding labour markets. He suggests an overall framework for analysing labour markets, and a detailed treatment of several elements. These consist of asking questions, how to think about the causes of changes in labour market outcomes, and using descriptive information to evaluate causality. The approach is illustrated through examples taken from his research on Australia's labour market during the COVID-19 era. Readers will find this paper thought provoking as it adds to the understanding of how to examine labour market issues for researchers and policy practitioners. Students will find the paper particularly instructive.

The paper by Stephen Robson and Jeffrey Looi of the Australian National University, and Martin Hensher of the University of Tasmania, examines the question of the extent to which artificial intelligence (AI) and virtual care (VC) can emulate the abilities of humans in delivering human-centred healthcare. It has been recognised for some time that current demographic trends in Australia, as in many other countries, have created debate on the provision of healthcare for an ageing population, and an ageing workforce, with a greater prevalence of chronic and degenerative disease, requiring new

patterns of more complex care and health technologies. There is a fear that there will not be a sufficiently large enough workforce available for future healthcare needs or enough workers with the required skills. The paper provides an overview of how AI and virtual care are being introduced into healthcare services, and the potential for them to be applied more extensively in coming years. The paper obviously covers a critical topic which should be of interest to readers.

The paper by Robert Dixon, of the University of Melbourne, looks at a commonly quoted “rule” in economics, namely, Okun’s law. This, broadly, maintains that there is an inverse relationship between output growth and unemployment. Robert’s paper sets out a new approach to understanding Okun’s law and the evolution of the unemployment rate in Australia. Rather than examine the changes in unemployment the paper examines the entry and exit rates to unemployment. The empirical analysis is employed to examine the extent to which the variations in one or both of these rates – entry and exit – can be explained by variations in GDP growth. There is found to be an observed asymmetry in the Okun relationship in that there is a greater impact of changes in GDP growth on the entry rate and not the exit rate. The behaviour of the entry and exit rates are such that in an economic downturn the unemployment to employment ratio rises relatively ‘fast’ while during the recovery the unemployment to employment ratio falls relatively slowly. This has implications for government intervention early in the onset of a recession.

I think you will agree that all the articles in this issue will be of interest to anyone researching or practising labour economics. I would like to thank authors, the anonymous referees and co-editors for their contributions to the *AJLE*. Once again special thanks go to the *AJLE*’s editorial assistant, Sandie Rawnsley, for doing an excellent job in making this issue possible.

**Phil Lewis**  
Managing Editor