

Introduction to this issue – Incorporating contributions from the 12th Australian Institute of Family Studies Conference

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The Australian Journal of Labour Economics (AJLE) recently sought submissions from several of the authors of papers that were presented at the 12th Australian Institute of Family Studies Conference, held at Melbourne Convention Centre from the 25th to 27th July 2012. The conference titled, 'Family Transitions and Trajectories', included presentations on a wide range of topics including some focused on the interaction of family with certain labour market dynamics. The Director of Australian Institute of Family Studies, Professor Alan Hayes, worked with me to solicit suitable submissions from that conference and together we edited this issue.

Several papers have been unavoidably delayed and, accordingly, have been held over for future issues. In fairness to those whose papers have successfully negotiated the peer review process we are publishing these papers as part of a general issue of the AJLE. The first two articles in this issue are based on papers presented at that conference, the next two articles are general submissions to the journal. The issue is rounded out with a book review by Peter Mares.

The recent federal election has raised the profile of paid parental leave with a rather prominent commitment in the new government's agenda. Accordingly it is topical to consider the broader picture of paid parental leave in Australia, including the provisions of employers. The first article in this issue, by Gillian Whitehouse, Belinda Hewitt, Bill Martin and Marian Baird, documents trends in uptake and duration of employer-paid maternity leave in 2005 and 2010, prior to the introduction of a government-funded Paid Parental Leave (PPL) scheme in 2011. The 2005 data are derived from a nested study within the Longitudinal Study of Australian Children (LSAC), while the later data were collected as part of the government-funded evaluation of PPL scheme. Comparison of the data illustrated an increasing uptake and duration of employer-paid maternity leave over this period, but marked and persistent inequalities in patterns of usage. The authors argue that inequalities will not necessarily be ameliorated with ongoing expansion of employer-paid provisions. Given its importance in the Australian context, employer-paid parental leave will need to be taken into account in assessing the impact of any government-initiated paid parental leave scheme.

The second article by Kelly Hand and Jennifer Baxter describes maternal employment as children enter the school years. This article also uses LSAC in conjunction with the Family and Work Decisions (FAWD) study to provide some

insights into the complexities of mothers' decision-making about employment and school-aged children's use of non-parental care. The FAWD study provides important qualitative data about mothers' motivations and likely labour supply responses. In particular mothers felt that it was important to be available for their children in case they were needed even if, for the most part, the child was at school. While mothers in both LSAC and FAWD mentioned issues such as availability of places and cost of care as reasons for not being employed, these were less frequently cited than beliefs about motherhood and non-parental care. The diversity in use of different care options for school-aged children and the impacts of mothers' beliefs and individual circumstances suggest that policy needs to facilitate a range of options for families.

The third article relies on a neoclassical analysis of the labour market, albeit applied in a development context. The paper by Amsalu Bedemo, Kindie Getnet and Belay Kassa examines determinants of household demand for and supply of farm labour in rural western Ethiopia using household sample survey data collected during 2010/11 agricultural season. The demand for farm labour is significantly affected by farm attributes, off-farm income and family composition variables. Moreover, increasing the off-farm employment opportunities can help release the liquidity constraint and thus promote increased use of hired farm labour. While the agricultural sectors in Ethiopia and Australia are obviously very different, the recent prolonged drought in Australia has illustrated the need for off-farm employment to increase flexibility in 'shocks' to farm production (Edwards, Gray and Hunter 2009).

The fourth article by Richard Parsons provides an empirical test of the efficiency wage hypothesis. While most readers have been exposed to this hypothesis in standard labour economics courses, modern team oriented production processes mean that it is intrinsically difficult to measure effort and calculate productivity. This paper uses unique panel data, with similar production processes and differing wage premiums (multiple plants within the same company), to provide a reasonably controlled test on the impact of wage premiums on output. The paper also considers possible alternative explanations to the efficiency wage shirking model. Case study evidence presented illustrates that there is not always a connection between wage premium and output, therefore, managers should be careful about using wage premiums to increase effort and employee production.

One recent innovation for the AJLE is the occasional review of recent books that are likely to be of some interest for Australian Labour Economists. Peter Mares provides a review of *The New Geography of Jobs* by Enrico Moretti. The rationale for book reviews is that they allow readers to critically reflect on new contributions in the field and to allow busy people to be exposed to research that they might not have time to otherwise read. I personally have a long-term interest in the dynamics of urban labour markets, but I encourage all readers to engage with this book review because it is written by a non-economist. We spend much of our working life thinking about the labour market however one should always remember that many others consider the same issues to be vitally important to society and may have different perspectives on what might be done. The labour market is an intrinsically social institution and reflexivity may be necessary to fully engage with other aspects of society. Also, it cannot hurt to reflect on how other people understand economic issues and even see the role of labour economists.

Finally it is with some regret that I inform readers that this is my last issue as Managing Editor for the AJLE. The Journal is going through a process of renewal and I will still have an ongoing role as joint editor, but my duties as managing editor will be taken over by Professor Phil Lewis of the Centre for Labour Market Research, the University of Canberra, from January 2014. I will, however, ensure that there is a smooth transition in the management of the journal's affairs.

Professor Alan Duncan is another valuable addition to the journal as a new joint editor. Alan is a prominent Australian Labour Economist and provides considerable experience in management that will be vital for the ongoing success of the journal. There will also be other important changes in the AJLE's editorial team in that Professor Guyonne Kalb and Dr Nick Biddle will be moving on to accommodate these changes. We are considerably indebted to them both for their invaluable contribution to the journal and their substantial ongoing contributions to discipline of Labour Economics in Australia. Of course, we also would like to take this opportunity to wish Phil, and the new members of the AJLE team, all the best for maintaining the high standards of the journal.

Reference

- Edwards, B. Gray, M. and Hunter, B. (2009). 'A Sunburnt Country: The Economic and Financial Impact of Drought on Rural and Regional Families in Australia in an Era of Climate Change', *Australian Journal of Labour Economics*, 12(1): 109-31.