

From the Guest Managing Editor

Over the summer of 2019/20 Australia suffered from drought, devastating bushfires and floods. Commentators were concerned about the effects of these natural disasters on the state of the economy but any of these effects, at least at the national level, paled after the arrival of the COVID-19 pandemic in March 2020. For the first time since 1991/2 Australia experienced two quarters of negative GDP growth in the March and June quarters of 2020. Australia had escaped the worst of the Global Financial Crisis (GFC) in 2008/9 with only one quarter of negative growth so there had been almost thirty years of positive quarterly real GDP growth. The decline in output in 2020 was not in response to the usual factors driving the business cycle or to problems in the financial system but to government and community reactions including social distancing requirements which closed businesses and reduced economic activity. A Special Issue of the Australian Journal of Labour Economics published in September 2020 provided some early analysis of some of the key economic issues arising from the COVID-19 pandemic. This Special Issue continues the focus on the effects of the COVID-19 pandemic by examining gender issues raised by the pandemic both directly in the labour market and indirectly through its effects on particular aspects of economic and social life.

At least until June 2021, the Australian economy showed an impressive ability to bounce back from the negative performance of the first half of 2020. In that month the total unemployment rate stood at a ten-year low of 4.9 per cent and there had been a substantial decline in youth unemployment to 10.2 per cent, the lowest rate since January 2009 (BCEC 2021). Concerns that the end of JobKeeper, the reduction in benefits under JobSeeker and any scarring effects of extended lockdowns would have the immediate effect of slowing the growth of the economy proved to be unfounded. According to the ABS, labour force participation and employment in June 2021 were up on a year earlier and there was some concern about the development of labour shortages. Since then things have changed for the worse and the future of the Australian economy is clouded in considerable uncertainty. The major cities, Melbourne, Greater Sydney including Wollongong and the NSW Central Coast, Adelaide, Brisbane and Perth have all been in lockdowns of various lengths and at the time of writing (August 2021) there is no immediate end in sight to the current wave of COVID-19 infections. As the Bankwest Curtin Economic Centre (BCEC) noted, we may be in for a W-shaped recovery rather than the V-shaped one discussed at the beginning of the pandemic (BCEC 2021).

This Special Issue presents analysis based on evidence from the first year of the pandemic and discusses the future role of policy in furthering recovery from its ongoing consequences. Angela Jackson (Equity Economics) and Leonora Risse (RMIT University) begin by documenting the gender impact of the pandemic on labour market outcomes using ABS data. They use cumulative measures of a range of labour market indicators including employment, unemployment and labour force participation for the period March 2020 to February 2021 compared to the pre-

pandemic average for the months of December 2019 to February 2020 to document the effects of the pandemic on these indicators for men and women. Their results show that for most indicators women were disproportionately affected. When women lost their jobs because of the pandemic they were more likely to leave the labour force than men were, probably reflecting their unpaid responsibilities including care for the disabled and elderly and their greater responsibility for home schooling as a result of school closures. The authors emphasise the role of Gender Responsive Budgeting (GRB) as a policy measure to focus attention on the gender effects of any government policy responses.

Tania Dey and Michael O'Neil (South Australian Centre for Economic Studies, University of Adelaide) consider some of the policy responses to the pandemic and argue that it has offered an opportunity to reconsider some key policies that have an important impact on women's labour market activity. Their article examines the role of women in the three Ps; population, participation and productivity, in promoting economic growth and considers how policy responses such as the Baby Bonus, childcare subsidies and parental leave could be further promoted to encourage women's economic contribution. They also consider changes in working arrangements during the pandemic, such as working from home, as a way of designing jobs in the future to take account of the unpaid work that women undertake.

The economic effects of the pandemic may have long term implications for women's wellbeing. Pre-pandemic, women had lower superannuation balances than men, on average due to their lower wages and less time in paid employment, as documented by Elisa Birch and Alison Preston (UWA Business School, University of Western Australia). Older women were also more reliant on the Old Age Pension (OAP) which is close to the poverty line than were older men. The authors argue that the pandemic is likely to have exacerbated these problems as young workers and women's employment and labour force participation were particularly badly affected in 2020 with likely long-term implications for superannuation balances. Recent policy changes may have marginally improved the size of women's superannuation balances but the effects on those of retirement age will take decades to become evident and may be insufficient to overcome the underlying effects on women's superannuation balances of less time in paid employment and lower wages. Many women are likely to remain susceptible to a higher risk of poverty in old age. The authors argue for rebalancing retirement policy toward the OAP and for more detailed data to enable closer investigation of superannuation balances by gender and age.

The final two articles in this Special Issue focus on particular aspects of the pandemic which have been the subject of policy discussion; the effect of lockdowns on domestic violence and the changes in the level of benefits and compliance rules for those receiving unemployment benefits now known as JobSeeker. Solmaz Moslehi (Monash University), Jaai Parasnis (Monash University), Massimiliano Tani (UNSW Canberra) and Josephina Vejayaratnam (Monash University) present 24 months of police data from New South Wales and Victoria on domestic and non-domestic assaults to show that the 2020 lockdowns reduced the number of both types of assaults reported though the relative importance of domestic assault reports increased. The results suggest differences between assaults reported to the police and the level of

domestic violence registered by community organisations and elsewhere and referred to in the press. The reasons for these differences require further investigation. It is also important to acknowledge that police reports do not measure the full extent of domestic violence.

The Coalition government made significant changes to the welfare system with the onset of the pandemic including the introduction of the Coronavirus Supplement and the suspension of Mutual Obligation. Elise Klein (ANU), Kay Cook (Swinburne University), Susan Maury (Good Shepherd, Australia and New Zealand) and Kelly Bowey (Centre for Excellence in Child and Family Welfare) conducted a small survey of long-term welfare recipients to investigate how they were affected by these changes. They found that they were very positive about the changes as the additional money enabled them to provide more necessities to their families and gave them time to increase their unpaid work including more time to help their children with home schooling. The authors argue that these preliminary results should be explored further for policy reform of the welfare system.

In conclusion, I would like to thank the authors for their thoughtful contributions and for their enthusiasm and commitment in meeting the tight deadlines for this Special Issue. We all hope that these papers will make a positive contribution to future policy debate. I owe a special thank you to my colleagues on the editorial team; Barbara Broadway, Mike Dockery, Boyd Hunter, Raja Junankar and Phil Lewis who contributed their time in the preparation of this issue. I would like to especially acknowledge Boyd Hunter who has had a long association with this journal and made a significant contribution to its continuation. Enjoy your retirement, Boyd. Finally but not least, I would like to thank Sandie Rawnsley for her excellent work as an editorial assistant to the journal and for getting this issue out in a timely manner.

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References

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