

Australian Strike Activity in An International Context, 1964–85: Rejoinder

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Professor Blandy's spirited critique of our paper allows us the welcome opportunity to emphasize the measurement problems inherent in international comparisons of strike data, to highlight the overall meaning of the results, and to update the econometric estimations. All three endeavours serve to reinforce our so-called 'strong' and 'unwarranted' conclusion that 'At the minimum, [the result] renders dubious strong statements concerning the influence of Australia's idiosyncratic labour market arrangements on industrial disputation' (Beggs & Chapman 1987a, 149).

The first cannon ball fired at us is that 'These data show . . . that if these countries had had the Australian system, Germany, France, Sweden, Norway and Japan would have had a persistently worse strike outcome over the whole period since 1964, mostly by a huge margin' (Blandy 1988, 316). We don't hide from this insight, and even claim it as ours, given the surprisingly similar sentence in the original paper: 'It is also remarkable that, hypothetically, the Australian system would have delivered very much higher WDL/E¹ in Norway, Sweden, France, West Germany and Japan' (Beggs & Chapman 1987a, 146). Even though it is obvious that we have explicitly acknowledged the five out of the twelve countries that apparently had far less strike activity than Australia over the 1964–85 period, here is an opportune place to emphasize the very substantial differences between countries in the measurement and reporting of strike activity. As is clear from table 1 of the original paper, Australian coverage is probably more comprehensive than any other country's.

Of the five referred to above, unlike Australia none include in their strike data indirectly affected workers in the same firm, and neither France nor Japan include political stoppages. As well, the criteria for inclusion in Australian statistics are relatively stringent. The very important point, not acknowledged by Professor Blandy, is that measurement differences make the Australian system appear more strike prone; our original conclusion appears comfortably moderate.

The second shot fired misses also, by a very large margin. This is the

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1. Working days lost per employee from strikes.

contention that now the Australian system is worse than all countries other than Spain and Ireland, because of the positive time trend in the (Australian) estimation. But this allegation ignores the large (62 per cent) diminution in Australian strike activity since the institution of the prices and income Accord in 1983. Even though there is apparently an upward trend in strike activity 1964–85, the considerable structural decrease after 1982 means that even now the recent diminution is very large.

As well, and more importantly, re-estimations of the model including recent (1986 and 1987) data, reveal that strike activity has continued to decrease, and even more strongly than before. The results are presented in table 1.

Table 1 Models of Australian strike activity (dependent variable is the logarithm of working days lost per employee)

<i>Period</i>	<i>log inflation</i>	<i>log unemploy- ment</i>	<i>Time trend</i>	<i>Dummy variable for years 1983 onwards</i>	<i>Intercept</i>	<i>R²</i>
(i) 1964–1982	0.591 (3.26)	–1.134 (3.44)	0.120 (3.08)		–1.866 (8.85)	0.71
(ii) 1964–1985	0.812 (6.79)	–1.064 (3.17)	0.079 (2.06)		–1.983 (9.76)	0.66
(iii) 1964–1985	0.582 (3.71)	–1.004 (3.19)	0.107 (3.11)	–0.621 (2.28)	1.867 (9.52)	0.72
(iv) 1964–1987	0.889 (6.95)	–0.668 (2.00)	0.024 (0.68)		–2.023 (8.80)	0.58
(v) 1964–1987	0.563 (3.12)	–0.715 (2.31)	0.078 (2.34)	–0.823 (2.92)	–1.860 (8.60)	0.69

Note: Absolute Heteroskedastic consistent t-statistics in parentheses.

Two big points stand out from table 1. One is that including the 1986 and 1987 observations increases, in absolute terms, the coefficient on the post-1983 dummy variable from 62 to 82 per cent, and decreases the coefficient on the trend rate of increase from 10.7 to 7.8 per cent. Two, the equation can be re-estimated omitting the post-1983 dummy on the basis that the so-called Accord period is a small part of the overall Australian system over the 1964 to 1987 period. When estimated in this way the time trend falls to 2.4 per cent and becomes statistically insignificant. Either way, it cannot be the case that at present the Australian industrial relations environment is delivering greater strike activity than previously. By implication, the alleged increase relative to other countries is non-existent.

In other work (Beggs & Chapman 1987b) we explicitly tested the view that recent decreases in Australian strike activity were part of a world-wide phenomenon, the implication for Professor Blandy being that if this is the case his conjecture about recent changes is not outlandish. Estimating the models separately for each country revealed that only for Australia was there an insignificant diminution in WDL/E from strikes post-1983. The story, then, is unambiguous. Recent evidence wholly supports the contention of continued and unusual decreases in Australian strike activity.

We found Professor Blandy's methodological remark difficult to under-

stand. It is only 'playing tennis with the net down' to say that Australian strike activity is lower than or about the same as culturally and politically similar countries if it was our (hidden) *intention* to derive such a conclusion (it wasn't). We're not members of any club, for reasons Groucho Marx helps us understand.

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