

HOW do industrial relations in Australia compare with other countries? Between employer and employee are relations more bitter, hostility more pronounced and misunderstanding more widespread? Does Australia suffer more acutely from the economic wastes of strikes and work stoppages than say the people of Great Britain or the United States? Is the post-war industrial unrest sweeping Australia more severe than the post-war unrest of other countries? Or is Australia, despite its succession of strikes, well-off by comparison with industrial conditions at present ruling abroad? Does the machinery we have developed for the prevention and settlement of disputes in industry work as efficiently as comparable machinery in other countries, or, does the record show the Australian system of compulsory arbitration to stand poorly by comparison with the methods of voluntary conciliation and agreement preferred by some of the older industrial nations?

The extraordinary frequency and severity of industrial disputes in Australia since the end of the war and the inconvenience and hardship they have occasioned have led people to ask themselves questions such as these. They are demanding to know whether strikes and lockouts are inevitable, in the nature of things, or whether it is possible to substitute some semblance of order for the reigning disorder.

For many reasons it is not practicable to compare simply and directly the standard of industrial relationships in one country with that of another. But it is possible, from data collected and analysed by the International Labour Office, to assess the comparative severity and economic effects of strikes and lockouts in different countries.

MEASURE OF SEVERITY OF INDUSTRIAL DISPUTES

The best, and most obvious, measure of the magnitude of industrial disputes is the number of man-days lost as a result of those disputes. This is obtained by the simple device of multiplying the number of workers affected by the number of days each man or woman is out of work as a consequence of a strike or lockout.

INDUSTRIAL DISPUTES—Australia and Overseas

To compare the loss of working days so computed in two or more countries for the purpose of ascertaining the relative severity of industrial disputes in those countries, it is obviously necessary to make some adjustment for the differing sizes of the working populations. For instance, we would naturally expect that the United States, with a working population twenty times greater than Australia, would lose many more working days from strikes and lockouts. But this, of course, does not necessarily indicate that the Australian people are more fortunate than those of the United States so far as industrial disputes are concerned. *The basis of comparison of the severity of industrial disputes between different countries adopted by the International Labour Office is the number of working days lost per 1,000 persons employed in the industries of mining, manufacturing and transportation.* This means that those people engaged in occupations such as primary industry, commerce, the civil service and the defence forces are excluded. This exclusion is justified by the fact that the time lost through industrial disputes in these occupations is, generally speaking, negligible.

STATISTICS OF INDUSTRIAL DISPUTES

The following table compares the severity of industrial disputes for eight countries over the seventeen-year period, 1927-43. The countries selected comprise Great Britain and the British Dominions and three leading democracies outside the British Commonwealth of Nations—U.S.A., Sweden and Switzerland. The table has been compiled from statistics published in the Year Book of Labour Statistics prepared by the International Labour Office.

WORKING DAYS LOST PER 1,000 EMPLOYEES ENGAGED IN
MINING, INDUSTRY AND TRANSPORT (1927 to 1943)
EXPRESSED IN YEARLY AVERAGES

Period	Aust.	N.Z.	Canada	S.Africa	G.Britain	U.S.A.	Sweden	Switz.
1927-29	2,562	117	130	37	389	770	2,151	98
1930-34	579	356	202	112	470	691	2,288	171
1935-39	661	146	265	31	200	889	519	55
1940-43	895	126	389	11	121	518	85	9
Yearly Average for Period								
1927-43	1,174	186	247	48	295	717	1,261	83

MARGIN OF ERROR IN FIGURES

Before commenting on this table it should be pointed out that the figures are subject to an appreciable margin of error. These errors arise from differences in definition adopted by the different countries as to what constitutes an industrial dispute for statistical purposes, from methods of calculation, and from technical difficulties in the collection of the requisite data. For instance, in some countries the working time lost by workers indirectly affected and thrown out of work by a dispute is included as well as the days lost by workers *directly* involved. In other countries only those workers directly involved are taken into account. Again, the number of persons employed in the different branches of industry covered are, in most cases, estimates rather than actual figures. But in spite of the errors that arise, to some extent unavoidable, in the compilation of statistics such as these, comparisons of the severity of disputes in different countries are by no means invalid or without practical value. In a note referring to the inaccuracy of the statistics the Year Book makes the following statement:

“In spite of these limitations, however, the fact that the fluctuations and differences in rates in different years and different countries are relatively great in comparison with the percentage of error in the figures makes it possible to regard these rates as reflecting, in general, the differences as between different countries, the fluctuations in time, and the trends over the period covered.”

UNENVIABLE RECORD

From the point of view of an Australian, the outstanding fact revealed by the table is the extreme severity of industrial disturbances in this country and the unenviable record it enjoys by comparison with other countries. Only one country, Sweden, has a record worse than Australia. And even here, over the last ten years, the record of Sweden, despite the fact that it was not engaged in the war, is considerably better than that of Australia.

The table shows that over the whole seventeen years from 1927-43, Australia lost 1,174 working days per year per 1,000 employees compared with N.Z. 186, Canada 247, South Africa 48, Great Britain 295, Switzerland 83, and the United States 717. Thus the Australian record does not stand comparison with that of practically all the other countries. It is not merely worse than those countries, it is much worse. These figures are sufficient to indicate a lamentable deficiency in the conduct of industrial relations in this country. They represent a challenge to the Australian people.

The figures, of course, do not provide adequate grounds for concluding that the Australian machinery of compulsory arbitration has failed. But at least they are sufficient to make one question whether there is any foundation for the statement, repeatedly heard, that this machinery is the envy of other countries of the world. *It is not easy to see why this should be so when the severity of our disputes is about four times greater than Great Britain and Canada, six times greater than New Zealand, over ten times greater than Switzerland, and even considerably heavier than the turbulent economy of the intensely industrialised United States.* Admittedly, it is necessary to bear in mind that the absence of good relations and harmony in industry does not show itself solely in working days lost through strikes and lockouts. It may reveal itself in indiscipline, absenteeism, go-slow, excessive labour turnover, and so on. But whether Australia has a better record in these respects than other countries it is impossible to say. On the whole, it would seem unlikely.

It is worth noting that in Great Britain and the British Dominions a very large proportion of the number of working days lost is accounted for by the mining industries, particularly coal mining—in Australia over 50 per cent., and in Great Britain nearly 70 per cent.

ECONOMIC LOSS

A further conclusion can be drawn from the figures. Notwithstanding their serious economic effects and the inconvenience caused to the public, the *direct* economic loss arising

from strikes and lockouts is small by comparison with the loss incurred as a result of sickness or unemployment. A "severity rate" (i.e., working days lost per 1,000 employees) of 3,000 days per year means about a 1 per cent. loss of working time. The table shows that in the countries selected the "severity rate" is considerably less than 1,000, or less than one-third of 1 per cent. of total working time. By contrast, the loss of working time from sickness amounts on an average to something like 3 per cent. of total working time. Unemployment in the past has caused a loss of working time of round about 8 per cent. to 10 per cent. In the future, this loss may be considerably reduced.

We should avoid, however, jumping to the conclusion that the economic losses of industrial unrest are relatively insignificant. In the first place, strikes are man-made, whereas sickness must be, partly at least, ascribed to the inscrutable workings of providence. In the second place, the economic wastes of industrial unrest, as mentioned above, are not solely confined to those arising from stoppages of work.

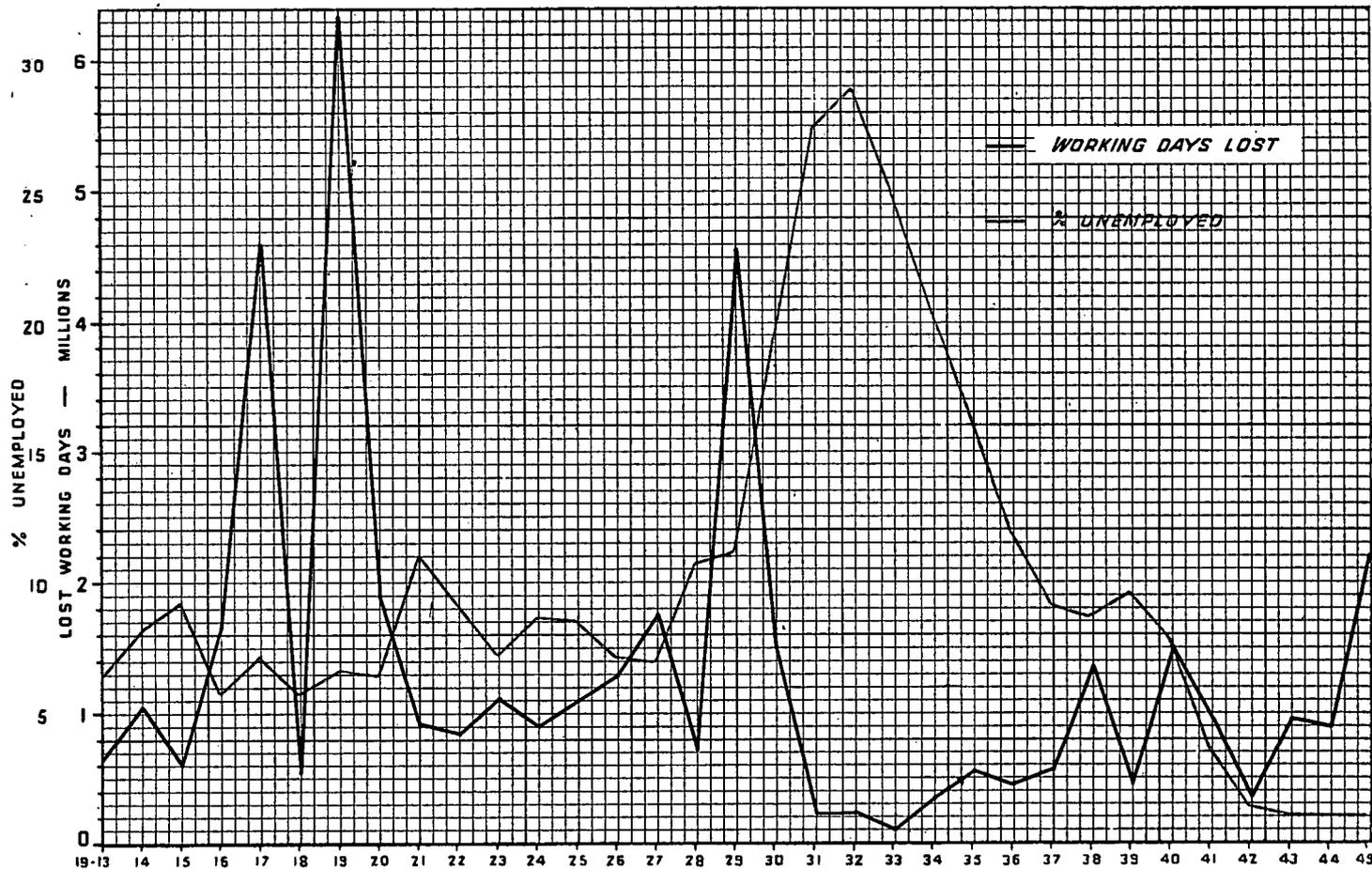
TREND OF INDUSTRIAL DISPUTES

In addition to comparing the effects of disputes in Australia with other countries, it is also of value to inquire whether the magnitude of industrial disputes in Australia is increasing or diminishing. Are we suffering more acutely from industrial disturbances today than say, ten, twenty, or thirty years ago?

On the following page is a graph showing the number of working days lost and also the percentage of unemployment for every year from 1913 to 1945. A study of the graph gives rise to the following interesting observations:

(1) Broadly speaking, the level of industrial disputes is substantially higher in the first half of the period than in the latter half. This cannot, however, be taken as conclusive evidence of a long-term improvement in industrial relations. *There is, for instance, good reason to believe that the most serious economic consequences of post-war industrial unrest in Australia arise not from the time lost through strikes and*

WORKING DAYS LOST THROUGH INDUSTRIAL DISPUTES IN AUSTRALIA, 1913-45
[Showing Relationship to Percentage of Unemployment]



(Authority: Official Publications of the Commonwealth Bureau of Census and Statistics)

lockouts, but from go-slow, restriction of production, and the general "don't care" attitude prevailing over large sectors of industry. Also, the higher incidence of disputes from 1913 to 1929 is almost wholly attributable to the fact that in practically every year a heavy loss of working time was incurred in the transport industries, whereas, since 1929, strikes or lockouts in these industries have been practically eliminated.

(2) Since 1931 there has been a steep upward trend in working time lost.

(3) The industrial record during World War II was remarkably good compared with World War I.

(4) It is reasonable to conclude from the figures that there is a definite relationship between the amount of unemployment and the intensity of strikes and lockouts. The strikingly small amount of working time lost through the thirties is accompanied by a high average level of unemployment, while the heavy loss of working days in the twenties is accompanied by comparatively low unemployment. Also, from 1932 to the present there is a steadily upward trend in working days lost and a steadily downward trend in the unemployment figures. *Thus, when unemployment is low the severity of industrial disputes tends to increase, and when unemployment is high the number and severity of strikes decline.*

The discipline imposed by "the pool of unemployment," based, as it was, on fear, was a bad form of discipline. But efficiency, no matter what the manner of the economic system, cannot be maintained, unless there is a determination to uphold the law and there exists a healthy and intelligent respect for authority and order in industrial relationships. This is one of the most delicate problems to which the economy of full employment has given rise—and one still to be solved.

The two basic facts that emerge from this study are: *first, the deplorable record of Australia compared with other countries in working time wasted through industrial disputes; and, second, the rapidly increasing severity of industrial disputes in Australia since 1931.*

