

On Leigh-Wolfers and Wellbeing in Australia

David G Blanchflower
Department of Economics
Dartmouth College and NBER
USA
blanchflower@dartmouth.edu

Andrew J Oswald
Department of Economics
Warwick University, UK
andrew.oswald@warwick.ac.uk

26th November 2005

On Leigh-Wolfers and Wellbeing in Australia

David G Blanchflower
Andrew J Oswald

Andrew Leigh and Justin Wolfers (2006) have written a fascinating and valuable paper.

Using data across nations, the authors set out and discuss the (positive) correlation between countries' reported happiness levels and countries' Human Development Index levels. We think the authors have made an important contribution to the area. More research of this sort is surely needed. And we agree with what we take to be their view that there is too much measurement error in HDI scores to allow an uncritical acceptance of the United Nations' conclusion that Australia has the 3rd-highest level of wellbeing in the world.

What is not so clear is that the Leigh-Wolfers work is usefully viewed as a rebuttal of our 2005 analysis.

First, although we shall not restate the arguments of our earlier analysis, perhaps the strongest piece of evidence pointed to in our 2005 paper is the remarkably low Australian score on the job satisfaction question in the International Social Survey Programme. Yet this fact is not discussed in the paper by Andrew Leigh and Justin Wolfers. If the authors' aim is to argue that our paper's conclusion is incorrect, it is unreasonable to turn a blind eye to the key league table in which Australia comes lowest (and, in 2002 ISSP data, bottom of the English-speaking nations).

Second, to explore these issues in a different way, we have now gone to the World Health Organization website to see if it is possible to find reliable information on suicide rates across nations. The latest WHO data for the English-speaking countries appear to be those given below (no standard errors are released for them by WHO).¹ These numbers are per 100,000 of population and for the year 2000 except where stated.

Table 1

Suicide Rates Across the English-Speaking Countries

Country	All	Males	Females
Australia (2001)	12.7	20.1	5.3
Canada	11.7	18.4	5.2
Eire	12.2	20.3	4.3
NZ	11.9	19.8	4.2
UK (1999)	7.5	11.8	3.3
USA	10.4	17.1	4.0

As can be seen, Australia has the highest overall suicide rate. We are not experts in this field, admittedly, and there are known difficulties in measuring suicide rates consistently

¹ http://www.who.int/mental_health/prevention/suicide/country_reports/en/index.html

across different nations. However, this table seems one further piece of relevant evidence.

The main purpose of our original paper, perhaps we should stress, was to stimulate work in this field. The aim was not to be critical of Australia or any other nation. This is an important area where more research is required.

References

Blanchflower, D.G. and Oswald, A.J. (2005) Happiness and the Human Development Index: The Paradox of Australia, Australian Economic Review, 38, 307-318.

Leigh, A. and Wolfers, J. (2006) Happiness and the Human Development Index: Australia is Not a Paradox, Australian Economic Review, this issue.