

SUICIDE AND THE SOUTH AFRICAN BUSINESS CYCLE

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Abstract

Using monthly data for January 2006 - December 2015, this study explores the relationship between suicide and the South African business cycle. Contrary to most previous research, the findings reveal that suicide is pro-cyclical.

1 Introduction

Most studies on the relationship between suicide and the business cycle find that suicide is counter-cyclical (Viren, 1996, 2005; Koo & Cox, 2008; Altinanahtar & Halicioglu, 2009; Andrés & Halicioglu, 2010; Luo *et al.*, 2011), often explained by lower satisfaction levels and greater psychological- and financial stress during downturns (Ruhm, 2000). In contrast, some studies find suicide is pro-cyclical, as during upswings, leisure time declines due to longer working hours (Neumayer, 2004), social interactions weaken (Noh, 2010), and higher income results in individuals being unhappy when comparing themselves to their peers (Daly & Wilson, 2009).

Suicide has major public health and economic consequences (Luo *et al.*, 2011) and annually about 75% of suicides occur in low- and middle-income countries (WHO, 2014). This study considers how suicide rates respond to changes in the business cycle of South Africa, a developing country where suicide is a leading cause of non-natural death (Botha, 2012). Botha (2012) used micro-level data and found that the probability of suicide in South Africa was counter-cyclical, but this relationship was not significant. Phiri and Mukuku (2019) considered the relationship between the South African business cycle and suicide but used annual data from 1996-2015 and

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