

# LATIN POST

## Latin America: Home of the World's Most Miserable Economies? Venezuela, Argentina Show High Misery Indexes

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Due to enormous political tension, power struggles, soaring inflation as well as falling currencies and commodities in Latin America, several countries across the region have been listed with high misery indexes.

Recent research that concentrated on the economic status of various nations worldwide revealed that countries with really poor economies are considered to be nations of "misery." According to The John Hopkins University Applied Economics Professor Steve H. Hanke, the higher the misery index score means the greater the misery levels for each countries.

Hanke also explained that the misery indexes are calculated based on "the sum of the unemployment, inflation, and bank lending rates, minus the percentage change in real gross domestic product (GDP) per capita."

In his study, Venezuela and Argentina have rounded up on the top five unhappiest economies in 2016, [Bloomberg Business](#) noted. While both Latin American nations have been tackling inflation, South Africa, Greece and Ukraine have been desperately making an effort to stop unemployment from getting worse.

Brazil, Uruguay, Colombia, Portugal and Costa Rica have also been listed on the top 20 for having high misery scores. And according to [SFGate](#), there are several factors that affect each nation's levels of misery.

Hanke also added that these factors he labelled as "big players" usually disrupt markets rather than stabilize them. He also gave three defining characteristics regarding "big players."

One reason is these "big players" are big enough to influence markets. And since they are immune to competitive pressures, they became insensitive to the discipline of profits and losses. Lastly, these players act with a large degree of discretion since their actions are not governed by a set of rules.

While Latin America dominated the list, other regions in the world weren't quite as depressing. As a matter of fact, there were also some success stories, citing Poland's lower misery index amid increasing uncertainties on its fiscal and economic outlook.

Meanwhile, the world's top 5 happiest economies this year include Thailand, Singapore, Switzerland, Taiwan and Japan. Due to its unique structural issues, which allow more people to be employed, Thailand stayed as the least miserable.

Switzerland, on the other hand, is enjoying continued low joblessness. However, economists warned about falling consumer prices this year. Luckily, the Swiss nation is trying to maintain its currency stability.

Economists are also looking for indications of improvement in Russia, Romania and Ireland. According to the latest survey, each of the countries will achieve a more favorable position this 2016.