



Why South Africa, Sudan, Egypt Are Africa's 'Most Miserable Countries'

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VENTURES AFRICA – South Africa, Sudan, and Egypt are the top three most miserable African countries in the world, according to the recently released Misery Index by Cato Institute. Ranked from worst to best, the list features a Misery Index of 108 countries in 2014, with the major contributing factor of each country's 'misery' stated.

Unemployment levels, economic growth, interest rates, and consumer prices are the basic data points the index is based on. Explaining this to CNBC, Steve Hanke said, "you have three things that make you miserable and subtract something that makes you less miserable, which is economic growth."

South Africa

Unemployment is the major contributing factor to earn South Africa 10th position on the list and first in Africa. Its misery index was recorded as 39.16. The southern African country's position on the list is not much of a surprise, as it has been a major issue for the country. Last year, at 24 percent, South Africa ranked third highest in unemployment rate in the world for youths, ages 15-24, as reported by the World Economic Forum (WEF) in its Global Risk 2014 report.

The south African jobless rate changed slightly at 25.4 percent in the third quarter of 2014 from 25.5 per cent in the previous period. However, the number of people who stopped looking for jobs increased 3.9 percent with the labour force participation rate falling 0.2 percent to 57.1 percent.

However, Trading Economics reports that, "unemployment Rate in South Africa is expected to increase to 25.78 percent in the first quarter of 2015 from 25.40 percent in the third quarter of 2014. In 2016, the Unemployment Rate is expected to increase to 26.64 percent."

The country's unemployment rate has sadly not been below 20 percent for almost two decades.

Sudan

Holding the eleventh position, Sudan is the second African country on the ‘misery list’ with Misery index at 38.71. The country located at the ‘horn of Africa’ owes its presence on the list to consumer prices. The inflation rate in Sudan increased to 25.7 percent in December, putting an end to a four month period of slowing inflation from August to November.

“Consumer Price Index CPI in Sudan increased to 330.20 Index Points in September of 2013 from 315.70 Index Points in August of 2013. Consumer Price Index CPI in Sudan averaged 165.36 Index Points from 2007 until 2013, reaching an all – time high of 330.20 Index Points in September of 2013 and a record low of 98.09 Index Points in April of 2007,” as reported by the Sudan Central Bureau of Statistics.

Since the secession of South Sudan in 2011, which took three quarter output of the country’s oil, and the weakening of the Sudanese pound, prices have been on an all-time high. High cost of living, coupled with the fuel subsidy cut of 2013 has prompted several protests in the country, resulting in several injuries and deaths.

Egypt

Unemployment placed Egypt at number 18 on the list, with a misery index of 32.72, making it the third most miserable African country. Unemployment has been a major problem in Egypt for so many years; from the 60’s till now, Egypt has constantly experienced a significant increase in the rate of unemployment.

Egyptian youths bear the weight of this lingering problem as most graduates wait an average of five years to get jobs. It is therefore no surprise that Egypt occupies a top spot on the list of over a hundred countries. Compared to her population growth, the growth rate of job opportunities in Egypt is quite slow.

Late last year, the International Monetary Fund (IMF) predicted 0.3 percent increase in Egypt’s unemployment rate in 2015. That means unemployment rate would be 13.9 percent this year, up from 13.6 per cent in 2014. An increase in inflation is also expected, as well as a 2.2 percent growth in GDP.

Other African countries on the ‘misery list’ include Cape Verde (now officially called Republic Cabo Verde), Algeria, Mauritius and Morocco, with a misery index of 22.81, 20.51, 17.82 and 14.75 respectively. Unemployment was recorded as the major contributing factor for Cape Verde and Morocco, while interest rates was responsible for Maritius’s listing on the Misery Index. Venezuela tops the list, maintaining its ‘misery’ and number one position for the second consecutive time.

The list was compiled by John Hopkins University economist Steve Hanke for Cato Institute, “a public policy research organization dedicated to the principles of individual liberty, limited government, free markets and peace.”