



ST. XAVIER'S COLLEGE, MAPUSA GOA

Report of Activity conducted in the Academic Year 2024-25

Name of Activity	Research Coffee Series- II: Hyperinflation In Venezuela- A Case Study
Date/ Duration	24 th August 2024, one hour
Venue	St. Xavier's College, Mapusa
Name of organizing Department/Cell	
In collaboration with	Department of Economics
Name/s of Faculty Co-ordinator	Ms. Ana Andrade e Souza
Stratum of Event	College
Name & details of Resource Person/s if any	Mr. Jenish Edwin from SYBCOM C
Report	<p>Objectives: 1. to understand the causes of hyperinflation 2. to analyze the economic and social impact on the country 3. to examine Government response and policy failures Outcome: 1. comprehend hyperinflation as a phenomenon 2. understand the social and human costs of economic collapse 3. encourage critical thinking on economic issues</p> <p>On 24th August 2024, Mr. Jenish Edwin from SYBCOM C delivered an engaging presentation on 'Hyperinflation in Venezuela- A Case Study'. Mr. Edwin began his session by clearly defining hyperinflation and shared relevant examples to help the class understand the concept. Hyperinflation is a rare and extreme economic phenomenon where the general price level of goods and services in an economy increases exponentially. It is characterized by an uncontrollable and exponential increase in the general price level of goods and services in an economy over a short period of time. This leads to a rapid erosion of the purchasing power of money, rendering it nearly worthless. The consequences of hyperinflation are severe and far-reaching, making it essential to understand its dynamics and implications. Hyperinflation is often defined as a monthly inflation rate exceeding 50% or an annual inflation</p>

rate exceeding 1000%. This means that prices increase exponentially, leading to a significant decline in the value of money. For example, if the inflation rate is 50% per month, prices will double in just a few months, making it difficult for people to afford basic necessities. Hyperinflation has occurred in various countries throughout history, including Germany in the 1920s, Zimbabwe in the 2000s, and Venezuela in recent years. In each of these cases, the consequences were severe, with widespread poverty, unemployment, and social unrest.

Hyperinflation is a complex and multifaceted phenomenon, arising from a combination of factors. Excessive money printing by governments, often used to finance their expenses, can lead to a surge in money supply, causing prices to skyrocket. Political instability, wars, and regime changes can disrupt production and distribution, resulting in shortages and price increases. External shocks, such as natural disasters, global economic downturns, and trade wars, can further exacerbate the situation, leading to supply chain disruptions and price hikes. Fiscal mismanagement, including excessive government spending and poor taxation policies, can also fuel inflation. Moreover, monetary policy errors by central banks can aggravate the problem, while supply chain disruptions, price controls, and currency devaluation can drive up prices even further. The expectation of inflation can become a self-fulfilling prophecy, as people buy now in anticipation of future price increases, thereby driving up prices even more. Economic sanctions, reliance on a single commodity or resource, and demographic and socio-economic factors like rapid population growth and income inequality can also contribute to the perfect storm of hyperinflation. In today's interconnected world, global economic trends such as trade wars and financial crises can have far-reaching effects on vulnerable economies, making them even more susceptible to hyperinflation.

The student then analysed the causes of hyperinflation in Venezuela, including over-reliance on oil exports, lack of economic diversification. Venezuela's economy has been heavily dependent on oil exports, which accounted for approximately 95% of its export earnings. This made the country vulnerable to fluctuations in global oil prices.

Moving on to the effects of hyperinflation in Venezuela, Hyperinflation

has devastating effects on the economy and society. It reduces the purchasing power of money, making it difficult for people to afford basic goods and services. Uncertainty and instability are created, making it challenging for businesses and individuals to plan for the future. Inefficient resource allocation occurs, leading to reduced savings and investment. Inequality increases, as those who own assets that increase in value during inflation tend to benefit at the expense of those who do not. The standard of living decreases, poverty increases, and social unrest arises as people become frustrated with the economic situation. Migration and reduced trust in institutions also result from hyperinflation. Overall, hyperinflation has severe consequences that can have long-lasting impacts on a country and its people. The student explained how the lack of basic necessities like food, medicine, and clean water became a harsh reality for many Venezuelans. The presentation also highlighted the impact on the country's infrastructure, healthcare system, and education sector. Moreover, the student explored the international response to the crisis, including sanctions and humanitarian aid. The presentation also examined the potential solutions to hyperinflation in Venezuela, such as economic diversification, monetary reform, and political stability.

The student presented intriguing data and statistics to support these points, making the complex topic easy to grasp with clarity and confidence. He presented the data and statistics that illustrated the devastating effects of hyperinflation on economies and societies. Some of the data and statistics presented by the student were Venezuela Annual Inflation rates taken from the source Forbes, Migration growth rate in form of histogram, pie charts, image taken from the source UN International source of migration, November 2018, The class was engaged and showed keen interest during the Q&A session, which was lively and interactive.

Throughout the presentation, Jenish demonstrated enthusiasm and knowledge, making the presentation informative, interactive, and enjoyable. The student's use of visual aids and data helped to clarify the complex concepts, and the class benefited from the comprehensive analysis.

	In conclusion, Jenish presentation on hyperinflation in Venezuela was engaging, informative, and well-researched. The student demonstrated a clear understanding of the complex topic and presented it in an accessible manner. The class gained valuable insights into the causes and effects of hyperinflation and its human impact. 33 students of SYBCOM attended
Brochure/Poster	N/A
Photographs	https://xavierscollegegoa.ac.in/wp-content/uploads/2024/11/IMG_7196.pdf
List of participants with signatures	https://xavierscollegegoa.ac.in/wp-content/uploads/2024/11/SYBCOM-att.pdf
Certificate	N/A