



Department of Computer science and Engineering

Report on The Macroeconomic Performance Evaluation of Spain and Italy

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Introduction

This report compares the economic condition of the two countries -- **Spain** and **Italy**. The comparisons will be made and then **evaluated** based on the **Macroeconomic** performance of the said countries.

Prediction: Tanmoy Mazumder(19101013)'s prediction of the country with the better records is going to be: Spain, Shawan Das(19101020)'s prediction is Italy.

Macroeconomics is a branch of economics that studies how an overall economy—the market or other systems that operate on a large scale—behaves. Macroeconomics studies economy-wide phenomena such as inflation, price levels, rate of economic growth, national income, gross domestic product (GDP), and changes in unemployment.

These economical expressions, together, are able to portray how a country is performing macroeconomically. It needs to be mentioned, though, that some of these factors hold more importance than the others when using them to judge a country. For instance, nominal GDP of a country helps assess the economical situation of a country more than it's Ease of doing business scores.

Spain and Italy —the countries being compared in this report are both European countries, geographically being in the southern part of the continent. Being neighboring and cultures being descended from Latin, these countries share some similarities — in quite a few ways, one of which being their economical performances. There is, however, a difference in each sectors of the domain of economy of these countries.

Basic comparison

Point of Comparison	Spain	Italy
I. Area	505,990 Km ² (195,360 sq mi)	301,340 km ² (116,350 sq mi)
II. Population	47,450,795	60,317,116
III. Capital City	Madrid	Rome
IV. Currency	Euro	Euro
V. Flag		
VI. Map		
VII. Fame	Bullfighting, La Tomatina, Spanish Club football, Mediterranean Beaches	Pasta, Pizza, Football, Cars, Crime Syndicates--also known as the infamous Italian mafia

Findings from Macroeconomic Factors

I. Per Capita Nominal GDP:

Per capita Gross Domestic Product (GDP) is a metric that breaks down a country's economic output per person.

Based on the data given by the "[The World Bank](#)" [1] the Nominal GDP of Spain in 2019 was US \$29,600.38 & Nominal GDP of Italy in 2019 was US \$33,228.24

Spain(2019)	Italy(2019)
US \$29,600.38	US \$33,228.24

- Having higher nominal GDP denotes the country is doing better economically. So the nominal GDP of Italy was better than nominal GDP of Spain.

II. Per Capita GNI:

Per Capita GNI is the dollar value of a country's final income in a year per person.

Based on the data given by the "[The World Bank](#)" [2] the GNI of Spain in 2019 was US \$34,390 & GNI of Italy in 2019 was US \$34,530

Spain(2019)	Italy(2019)
US \$34,390	US \$34,530

- Higher GNI also means that the country is performing better. Hence, the nominal GNI of Italy was better than nominal GDP of Spain.

III. Inflation Rate:

The inflation rate is the percentage increase or decrease in prices during a specified period (usually a month or a year).

Based on the data given by the [statista.com \[3a\]\[3b\]](#) the inflation rate of Spain in 2021 is 0.79% & inflation rate of Italy in 2021 is 0.61%

Spain(2021)	Italy(2021)
0.79%	0.61%

- Inflation rate, however, is a negative attribute. Therefore the inflation rate of Italy is better than inflation rate of Spain.

IV. Percentage of Population below Poverty Line:

“The World Bank” [\[4\]](#) sets the international poverty line at periodic intervals as the cost of living for basic food, clothing & shelter around the world change. The poverty line was set to at \$1.90.

Spain(2019)	Italy(2019)
20.7%	7.7%

- The percentage being lower in case of Italy shows that Italy has done better in this point of comparison.

V. GINI Coefficient:

The Gini Coefficient is a measure of the distribution of income across a population developed by the Italian statistician **Corrado Gini** in 1912.

Based on the data given by [statista.com \[5\]](#) the inflation rate of Spain in 2020 is 36.69 & inflation rate of Italy in 2020 is 35.92.

Spain(2020)	Italy(2020)
36.69	35.92

- The percentage being lower in case of Italy shows that Italy has done better in this point of comparison.

➤ **VI. Human Development Index:**

The Human Development Index (HDI) is a statistic tool used to measure a country's overall achievement in its social and economic dimensions.

Based on the data given by "[Wikipedia](#)" [6] Human Development Index of Spain in 2020 was 0.904 & Human Development Index of Italy in 2020 was 0.892.

Spain(2020)	Italy(2020)
0.904	0.892

- Human Development of Spain was better than Human Development of Italy; since in this case, higher value is better.

VII. Unemployment Rate:

Unemployment rate is the percentage of unemployed individuals in an economy among individuals currently in the labour force.

Based on the data given by the "[World Bank](#)" [7], the unemployment rate of Spain in 2021 was 16.0% & unemployment rate of Italy in 2021 was 9.0%

Spain(2021)	Italy(2021)
16.0%	9.0%

- Unemployment rate of Italy was better than unemployment rate of Spain as this is a negative trait indicator and Italy's rate is lower.

VIII. Ease of Doing Business Score:

The Ease of Doing Business (EoDB) score is a ranking system established by the **World Bank** group. The higher score indicate better, usually simpler, regulation for business and strong protection of property rights.

Based on the data given by the "[World Bank- Doing Business](#)" [8] site, EoDB score of Spain in 2020 was 77.9 & EoDB score of Italy in 2020 was 72.9

Spain(2020)	Italy(2020)
77.9	72.9

- Being a positive trait,EoDB score of Spain was better than that of Italy.

Evaluation of Macroeconomic Performance

In the sectors of Per Capita Nominal GDP, Per Capita GNI, Inflation rate, Percentage of Population below Poverty Line, Unemployment rate, and GINI Coefficient, *Italy had presented better stats.*

In cases of Human Development Index and Ease of doing business scores, however, *Spain was the one with seemingly better condition.*

Evaluating the points and sectors, it can be concluded that the economy of Italy is doing better than that of Spain, making Shawan Das's prediction accurate.

The biggest difference was in the sectors of unemployment and poverty lines. If Spain can find a way to suppress these problems, they would be on par with Italy; and since the human development index and EoDB scores are better on Spain's side, it'd be possible for them to even surpass Italy at one point.

Conclusion

Three of the sectors had data from 2019 as there was no updated version of the corresponding topic. A country's economy's state can be predicted by looking at its per capita nominal GDP and GNI. Since these data are from 2019, due to the recent pandemic situation, these values might be subjected to drastic change, especially since these two were victims to COVID-19 and suffered significant damage compared to most other countries of Europe.

Nevertheless, based on the data available at this moment, the conclusion is that, Italy is in a better economical state than Spain.

References:

Ref.	links
1	https://data.worldbank.org/indicator/NY.GDP.PCAP.CD
2	https://data.worldbank.org/indicator/NY.GNP.PCAP.CD
3	Spain: https://www.statista.com/statistics/271077/inflation-rate-in-spain/ Italy: https://www.statista.com/statistics/270489/inflation-rate-in-italy/
4	https://countryeconomy.com/countries/compare/spain/italy
5	https://www.statista.com/forecasts/1171540/gini-index-by-country
6	https://en.wikipedia.org/wiki/List_of_countries_by_Human_Development_Index
7	https://data.worldbank.org/indicator/SL.UEM.TOTL.ZS
8	https://www.doingbusiness.org/en/data/doing-business-score