The Barcelona Unemployment Mystery

Diapo 1

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Hello we are Felip and Alex,

Today we want to talk to you about a very current topic Unemployment,

I assume that most of us here have joined Ironhack with the hopes of growing our employment opportunities as well as,

being honest,

finding a job so we can move on with our lives.

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Employment and being able to sustain oneself has been one of the biggest worries for people since the beggining of time, maybe a bit of an exaggeration but you get what I mean.

Maybe its because im to young and maybe it’s one of the events, I have actually studied the most but when I think of unemployment I think of the 2007-2008 housing crisis and the following effect it had in all of our lives.

In 2007 and 2008 unemployment amongst young people grew by 25 % and

over two and a half million jobs were destroyed.

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So why are we telling you this,

we have a hypothesis,

that unemployment during this covid time should have grown to a similar extent,

after all this is more memorable than the housing crisis

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We will compare two polar oposites of barcelona,

by finding data frames that will test our hypothesis and working with them to find the answer

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First

This is Ciutat Meridiana, its on the outskirts of Barcelona and its considered one of the poorest neighborhoods,

It was planned to be a graveyard but turned into a suburb after a study on the conditions showed that it had too much humidity.

At January 2020 it had the highest unemployment rate in all of Barcelona.

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Second, is Pedralbes,

this is what usually comes to mind when we think of a posh neighborhood,

It has some very pretty gardens and some very wealthy people.

not everyone is rich but if you live in pedralbes odds are you aren’t broke

Pedralbes had the lowest unemployment rate in the whole city, maybe its because not many people actually live there but the numbers are the numbers.

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Our expectations when looking at unemployement,

we expect Ciutat meridiana to

Jump in unemployment similarly to the 2007-08 crisis almost 10% would be our educated guess.

For pedralves we expect no change

higher paying jobs will usually have an easier time adapting to working from home

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So

The results, as we can see there is a clear evolution as an direct outcome of Covid,

In Ciutat meridiana unemployment rose 16.5 percentage points and in Pedralbes it rose 3.6 percetage points.

The data we collected comes straight from the Ajuntament of Barcelona.

this results are not small when you are talking about the population of whole neighborhoods of a city such as Barcelona.

But Common logic would indicate we would see much larger results.

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SO how come that it has been so much less than we expected?

Why 2007 unemployment rose to such a pace and it didn’t this time around.

When we first encountered this data we were pretty surprised,

maybe,

its That we had already decided that 2020 had been horrible and that it must had been reflected In the data,

after all gdp did fall 21%

Here is a table from the national statistics Institute about a quarterly survey about the expectations of people

it’s a good indicator of optimism and pessimism,

and well,

this might be the lowest it has ever gone

with it hitting a negative 72%

We felt like we had to mention this since it’s a good indicator that our assumptions of a massive fall in employment and crisis weren’t unjustified

most people have lost hope in the business sense.

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Why are more people not losing their jobs?

Why are people losing hope but not their jobs?

Is barcelona special?

Is the government lying to us ?

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the secret are ertes,

An erte is a subsidy by the Spanish government which is a 70% reduction in pay,,

ertes existed before, but where used in very special cases,

The number of ertes for Barcelona and each of the neighbourhoods we were evaluating was extremely hard to find.

but we did find an incredible statistic and it is that ertes have risen by 5000 % since last year in catalonia,

granted ertes weren’t that common ,but at least , 650 thousand people in catalonia had to get one in the month of November

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we are losing sight of what we wanted to analyse, the impact on the different nighborhoods.

to achieve this we decided to take a look at the shut down of businesses.

This statistic illustrates the index of non financial business, this means commerces, services, and shops.

we can see that it has grown in January since businesses were still growing

but it has jumped off a literal cliff in march and April ,

and hit what is probably the lowest in history.

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Conclusion

Our Hypothesis turned out to be wrong.

Unemployment did not reflect the impact of Covid, the rise in Ertes did.

The impact on Barcelona’s neighbourhoods wasn’t really reflected due to the lack of more specific data.

The social situation has worsened, people are feeling more anxious and business is falling as we had anticipated.

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But don’t worry its picking up!

This presentation has been very negative,

but the future is looking brighter,

almost all indicators we have shown today have been already recovering and its sure to get better soon,

Not like we will know since our lives are devoted to Ironhack now