

Beat: Business

Unemployment rises of 7.97% in April in Spain

Due the effect of the COVID-19

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USPA NEWS - The number of recorded unemployed registered at the State Public Employment Services (Spanish acronym: SEPE) rose by 282,891 people in April on the previous month. The total number of job seekers stands at 3,831,203, a rise of 7.97% on the month of March. The effect of the COVID-19 health crisis started to significantly affect recorded unemployment as from 13 March, and was particularly noteworthy at Easter. The rate of growth has moderated somewhat in the last weeks of April.

Although it is usual to report the figures on unemployment benefits a month later than the figures on recorded unemployment, given the exceptional nature of this period we can offer provisional data on the month of April. The number of beneficiaries of unemployment benefits stood at 5,197,451, which translates into a year-on-year increase of 136.56% and is an all-time record in the number of benefits paid out by the State Public Employment Services, which has recognised practically all of the benefits under temporary lay-off plans (Spanish acronym: ERTes) that reached the SEPE in the month of April.

The monthly cost of benefits, which also includes the pay-out under ERTes, amounted to 4.51 billion euros, which represents an increase of 3.98 billion euros on April 2019, a rise of 207.15%. The benefit system guaranteed the income of 22% of the active population.

Also the number of national insurance contributors stood at 18,396,362 on the last day of April, a decline of 49,074 people in work compared with the first day of April. This figure contrasts with the decline of 833,979 contributors in March.

Increase in unemployment by sector

In absolute terms, the COVID-19 health crisis has affected the Services sector above all, where unemployment has risen by 219,128 people (up 8.76%). It rose in Industry by 26,832 (up 8.92%), in Construction by 25,055 (up 7.84%), in Agriculture by 4,015 (up 2.52%) and among first-time job seekers by 7,861 (up 2.95%). In relative terms, the repercussion on the Services, Industry and Construction was similar.

Recorded unemployment rose more among men. In April, 150,461 men registered as unemployed (up 9.84%), to a total of 1,679,403. However, the number of women unemployed is higher, with a total of 2,151,800 on the SEPE register. This number rose by 132,430 (up 6.56%) on March.

As regards young people, unemployment among those under the age of 25 rose by 31,262 (up 10.87%) in April on the previous month, while unemployment among those aged 25 and above rose in the month by 251,629 (up 7.72%).

Types of employment contracts

Despite the lockdown and the hibernation of the economy, 673,149 employment contracts were signed in April. 59,042 permanent employment contracts were signed in April 2020, accounting for 8.77% of all contracts. Permanent employment contracts were divided in April, in terms of the working day, into 37,499 full-time contracts and 21,543 part-time contracts.

The rest of the employment contracts signed in April, to complete the total figure of 673,149, include 1,331 training contracts and 612,776 other types of temporary employment contracts. This latter group includes full-time Specific Works or Service Contracts, accounting for 40.46% of all contracts, followed by full-time Construction Overload Contracts, accounting for 27.58% of the total. Part-time temporary employment contracts make up the remaining 16.75%.

Article online:

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