

Social Protection Floor in Argentina

Summary, 31 August 2011

The initial steps to create social protection in Argentina started in the early 1900; however, it was not until the economic crisis of 2001 that non-contributory cash transfer programmes truly made their way into the public policy agenda. The following economic growth, in addition, generated a historical opportunity to expand programmes that would later make up the national social protection floor of Argentina. With an increase in available resources, resulting from the expansion of formal employment, which increased tax collection on enterprises and export commodities, as well as salary contributions, the coverage of social protection was extended. Similarly, the renationalization of the pension system over the past decade has also allowed an expansion of benefits to a larger scope of workers and an increase in access of essential services for disadvantaged populations.

One of the flagship programmes of Argentina's social protection floor is *Asignación Universal por Hijo* (AUH), the universal child-family allowance. Launched in November 2009, this programme combines cash transfers with access to essential services for children and adolescents of unemployed and informal economy workers, as well as of parents who were previously beneficiaries of other non-contributory programmes, implemented in the aftermath of the crisis in 2001. To further integrate and coordinate social transfers with access to services, *AUH* conditions 20 percent of its cash transfers to school enrolment and vaccinations. Positive outcomes can be attributed to this programme. According to an ILO study conducted in 2010, extreme poverty, among the population below 18 years old, decreased around 77 per cent as a result of the *AUH*.

For the elderly, a pension plan was modified in 2005 creating the *Plan de Inclusión Previsional*. This programme allowed the inclusion of persons in the pension system that did not have enough salary contributions to qualify for contributory benefits. The more flexible pension eligibility requirements provided a temporarily reduced benefit for a set period in the first five years, corresponding to the period during which these persons did not pay any salary contributions. Under this scheme around 2.5 million people, mostly women who performed domestic labour, gained access to contributory benefits. It reduced both gender and income gaps among the elderly. In addition, there is a non contributory pension for elderly living in poverty, *Pensiones No Contributivas Asistenciales para la Vejez*.

Today, Argentina's social protection system is well-developed and has contributed substantially to improve the population's welfare by ensuring a wide coverage of basic needs through cash transfers and essential service. Coverage for primary school enrolment is almost universal, 75 percent of children and adolescents receive family allowances, 90 percent of the elderly receive a pension, and among the working-age population, at least 590,000 are covered by unemployment programmes. Progress remains, however, ongoing to consolidate the social protection floor with the need to improve coverage gaps and overlaps between programmes. Comprehensive assessments will to be conducted, legislation should be further unified and synergised, and integration mechanisms could be created to harmonies policies.

