

## ARGENTINA

# Can Argentina meet the 2030 Agenda SDGs?

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### I. Introduction

This report<sup>1</sup> summarizes several analyses that highlight the possibilities and difficulties in the current Argentine context in implementing policies with a future horizon of achieving the 17 Sustainable Development Goals (SDG) defined in the 2030 Agenda for Sustainable Development. In particular, the report addresses a selected set of SDG aimed at ensuring economic, social and cultural rights related to the compliance with general and specific obligations pertaining to international human rights laws, within an Argentine regulatory and institutional context.

In 1984, Argentina ratified several international human rights treaties that establish how states should respect, protect, ensure and promote economic, social and cultural rights (ESCR). In 1994, the constitutional reform granted international treaties constitutional status, transforming the idea of frameworks for action into an essential tool for defining public policies related to ESCR. In the last ten years, Argentina has also committed to uphold other international human rights treaties, such as the Convention on the Rights of Persons with Disabilities.

The adoption of the Agenda by the United Nations General Assembly coincided with a change of government in Argentina, which represented a turning point regarding public policy guidelines that had been sustained as a solution to the serious social, economic, institutional and political crisis in 2001 and 2002. This situation adds a certain degree of uncertainty to the

analysis. Therefore, it should be noted that the scenarios posed were constructed from an analysis of measures and policies that were already being implemented in Argentina, especially from 2003 to 2015, as part of the baseline indicators to assess other measures announced and implemented by the government of the political coalition Cambiemos (Spanish for Let's change) in its first semester of administration. Thus, despite the short amount of time since the change of government, some data can be presented regarding the orientation of public policies that have an impact on the achievement of the SDG.

In the first six months of 2016, Argentina has experienced a shift in the socioeconomic development model promoted by the national government. This change could be characterized, in very general terms, as the transition from a development model based on strengthening the domestic market, trade protectionism, expansion of social rights and an active role of the state in income redistribution through the collection of taxes on exports of agricultural products, toward a model more akin to the principles of economic liberalism, linked to the rules of free trade, a competitive position in the global market, a lower level of state intervention in the overall operation of the economy and a reduction in export taxes on agricultural products.

This has crystallized in governance through a set of measures that can be grouped into six main areas:

- Adjustment of public spending through massive layoffs in the public sector;
- A reduction in the state's capacity to intervene in the economy;

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- Lack of intervention in the private job market in the face of layoffs in several sectors of the economy;
- A policy of returning to foreign debt and imports with possible negative effects on domestic production;
- Search for greater competitiveness via the reduction of real wages;
- Regressive tax policies, which produced a significant transfer of income to the economy's most concentrated business sector.

For these reasons, it is of great relevance and urgent that special attention be paid to the relationship between the development of economic policy measures or development programs and compliance with the 2030 SDG objectives, first and foremost, in regard to the international obligations assumed by the Argentine state to protect the ESC rights.

### 1. SDG 1 and 2: end poverty and zero hunger

In early 2003, 54% of the country's population did not have the resources to cover basic expenses in their homes; 28% was unable to cover their minimum food requirements. In 2010, according to official figures, there was a significant reduction in these percentages: 12% was living below the poverty line while 3% were below the indigence line. Despite widespread agreement on the trend toward poverty reduction, several years ago there was a strong controversy over the reduction levels and the actual extent of the problem in Argentina society. The low credibility of data provided by the national statistics board INDEC, placed under the executive branch's administration in 2007, cast a doubt on all of the information provided by the national government in regard to poverty indicators. Therefore, first, a reliable and valid mechanism must be developed for measuring levels of poverty and indigence, something that the current government promised to do but has not yet implemented.

In terms of specific measures, it is important to highlight the design and implementation of various income transfer programs such as the Universal Child Allowance

and the Universal Pregnancy Allowance, which were first implemented in 2009. In 2015, a law was passed putting into effect a semiannual system to automatically update the amounts of these allowances, a measure that several sectors were demanding due to the dilution of the amounts received as a result of persistent inflation levels in Argentina's economy.

High rates of inflation have persisted in Argentina since 2012 and they continue. In the first half of 2016, annual inflation was around 30% to 35%. Price control mechanisms implemented from 2013 to 2015 served as a palliative measure to contain inordinate increases in the basic products that comprise the food basket. However, a major challenge is the implementation of effective price regulation mechanisms throughout the entire food production circuit. As an alternative to the "price control" system put into place by the previous administration, the new administration introduced a monitoring mechanism in supermarkets via internet: the Electronic System Price Advertising (SEPA, for its acronym in Spanish) which transferred the responsibility for controlling prices from the state to consumers.

### 2. SDG 3 and 4: health and well-being and quality education

The inclusion of more than one million people in the social security system (pension system) who had been excluded due to intermittent or precarious employment history and the increase in formal employment improved health coverage mechanisms. In addition, specific policies improved the public health system. These policies include the Nacer/Sumar Plan to ensure maternity and pediatric health services for women and children without any other coverage; the Remediar Program, free supply of prescription drugs; and the law of generic drugs. However, the profound differences between jurisdictions in regard to accessibility and the quality of the public health system, heightened by the decentralization of health services carried out in the 90s, were not reversed in recent years. In turn, the lack of discussion on the legalization of abortion as an instrument for reducing

maternal morbidity and mortality and observance of the rights of women remains a pending and urgent issue in order for Argentina to comply with the SDG 3.

In regard to education, the National Education Act, passed in 2006, raised the budget to 6% of GDP, the highest percentage in Argentina's history. In addition, compulsory secondary education was established (from 13 to 17 years); universalization of education services for children starting at 3 years of age and the extension of the school day at the primary level (from 6 to 12 years). However, there are still major challenges: high levels of grade repetition, over-age and dropout rates in secondary school and a marked disparity in accessibility and quality between schools and between jurisdictions, which is reflected in the difference in the number of school days and hours, in provincial budgets, infrastructure and teacher salaries. According to 2010 data, 17% of all adolescents were not enrolled in school. While this problem affected 5% of adolescents in the higher income sectors, this number rose to 63% among low-income sectors. Furthermore, enrollment deficits rise in the case of young people from rural areas and/or indigenous peoples.

### 3. SDG 6 and 7: clean water and sanitation and affordable, clean energy

Between 2003 and 2015, the state resumed its role in the provision of public services, which were privatized in the 90s, and sustained a policy of subsidies for water, electricity and gas services, which kept rates at very affordable levels. The implementation of this policy, however, suffered serious deficiencies because it did not take into account social needs, environmental impacts or different business structures. At the same time, the lack of investment in distribution infrastructure has produced significant difficulties leading to occasional service outages.

The current national government slashed subsidies on the grounds that they were unsustainable according to their economic efficiency criteria. For a significant number of households, businesses and industries, this meant tariff hikes four to seven times higher, causing a strong impact on household economies, the operation of

small and medium enterprises and the development social organizations' activities. According to a report by one of the country's main trade unions, the purchasing power of salaries suffered a drop of 12% between November 2015 and March 2016, and retail sales underwent a sharp contraction: the latest figures, from April, reflect an annual contraction of 6.6%.<sup>2</sup>

### 4. SDG 8: decent work and economic growth

Starting in 2003, the country underwent a process of strong economic growth, which began to weaken in 2009. This was reflected in increased levels of registered jobs in the private sector: according to official figures, between 2003 and 2014, more than 2.6 million registered jobs were created<sup>3</sup> and the unemployment rate fell to about 6%. However, although specific bills have been passed for those sectors most commonly associated with precarious work, such as domestic and rural employment, informality rates remained above 30%.

The new government pushed forward a policy of massive layoffs of public sector workers, some of whom had worked for the state for years: the Ministry of Modernization reported that as of May, 11,000 workers were laid off in the public sector, which represented a savings of close to 2.8 billion pesos annually in the payroll. It should be noted that this was possible due to these workers' precarious employment conditions. In the private sector, according to official data from the Ministry of Labor, more than 118,000 jobs were terminated between December 2015 and May 2016. One of the most affected sectors is construction, mainly due to the halt of works financed by the state: in the first four months of the current government, the level of activity fell 22.7%.<sup>4</sup>

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2 Centro CIFRA, Situation Report 19 (May 2016). See: <http://www.centrocifra.org.ar/docs/I%20C%2019.pdf>

3 Ministry of Labor, Jobs and Social Security. See: [http://www.trabajo.gov.ar/left/estadisticas/oede/estadisticas\\_nacional.es.asp](http://www.trabajo.gov.ar/left/estadisticas/oede/estadisticas_nacional.es.asp)

4 Centro CIFRA, Situation Report 19 (May 2016). See: <http://www.centrocifra.org.ar/docs/I%20C%2019.pdf>

## 5. SDG 11: sustainable cities and communities

Over the last 12 years, the national government made an important effort to strengthen planning as a public policy instrument for the management of the territory. However, its implementation fell short. Provincial land management standards and programs are outdated and are generally unsuitable as a vehicle for implementing complex social and territorial processes. The flipside of this trend is the adoption of the Law on Fair Access to Habitat in the province of Buenos Aires,<sup>5</sup> which establishes principles and recognizes instruments that seek to modify historic urban and land market dynamics that reproduce the exclusion of broad middle and low classes. Likewise, there have been cases of collective and widespread initiatives launched, such as the National Consensus for Decent Habitat,<sup>6</sup> which outlines axes of essential public policy to ensure decent habitat, as part of a fair development program aimed at strengthening state intervention in the construction of the territory.

Among the main housing measures promoted by the new national government emphasizes mortgage lending, as one of the preferred tools of the real estate market. For this, the Central Bank of Argentina recently created the financial instrument called "housing unit" (UVIS)<sup>7</sup>, aimed at circumventing the inflationary restrictions of traditional mortgage loans. However, its implementation has so far been very limited due to the high levels of inflation that persist. Also the suspension of housing works underway as a result of the structural adjustment in the public sector is a cause for concern.

## II. Can Argentina fulfill the 2030 SDG objectives?

The 2030 Agenda is conceived as a guide for the design and implementation of processes and development programs over the next 15 years. By adopting it, member states pledge to mobilize the appropriate means for its implementation with a clear political sense: preserve common goods and the environment and benefit the poorest and most vulnerable population sectors.

For a little over a decade, substantial improvements were made in the living conditions of large sectors of society. Some policies should be extended in order to expand the capacity of social protection and the population's level of well-being. Others will require more significant adjustments.

At this point, the analysis indicates that the path set by the current government is not headed toward refining and deepening these policies but rather is moving in the direction of reversing them. The orientation of current public policies and programs follows a clear alignment with the interests of the sectors with greater political and economic power above considerations regarding social, environmental or institutional issues. This breach of various economic and social rights, which has occurred in a very short time, is creating a gradual and growing rejection within different social sectors.

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5 The Law of Fair Access to Habitat No. 14,449 was approved in the province of Buenos Aires in November 2012

(<http://www.gob.gba.gov.ar/legislacion/legislacion/L-14449.html>).

6 The National Census for a Decent Habitat was created in 2014 by the Multi-Sector Collective Habitar Argentina

(<http://www.consensohabitar.org.ar/>).

7 It is a unit of measurement updated daily according to the Reference Stabilization Ratio (CER), based on the consumer price index.