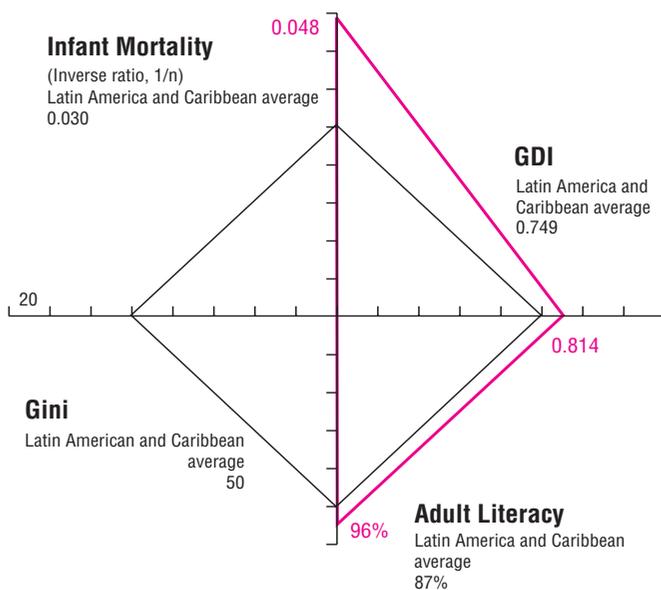


ARGENTINA



*The Equity Diamond: National values in terracotta compared to regional ones in blue. Source: **Infant mortality:** UNICEF, *The State of the World's Children, 1998*, **Adult literacy:** UNICEF, *The State of the World's Children, 1998*, **GDI** (Gender Development Index): UNDP, *Human Development Report 1998*, **GINI:** World Bank, *World Development Indicators 1998*. (The regional average for this indicator was calculated by *Social Watch*).*

The evolution of the main social indicators has followed the trends identified by Social Watch in its 1999 report. Argentina undertook a process of economic reform in the 1990s with the aim of dismantling the traditional institutions of the social state. This process was characterised by a marked deterioration of economic, social and cultural rights, and by the emergence of an unequal society with a few winners and

PARADISE FOR A FEW

large sectors of the population left unprotected by the state, victims of growing social exclusion.

A major obstacle to the review of economic, social and cultural rights is lack of concrete, up-to-date figures. The Committee for Economic, Social and Cultural Rights made this point while considering the first Argentine report¹ and repeated it in a second evaluation in 1999.²

POVERTY: INDICATIONS OF ALARMING GROWTH

The World Bank studied poverty in Argentina, publishing its results in 1999.³ From 1994 to 1998, the number of poor people grew by more than four million. The study revealed that in 1998, 29% of Argentines were poor, and 7% were indigent, unable to obtain the minimum caloric diet with their income. Taking into account estimates of INDEC (National Institute of Statistics and Census), the study concluded that 11 million people were living in poverty and 2.6 million were indigent.

INDEC figures from May 1999 revealed the existence of more than 3.2 million poor people in the metropolitan area (the capital and Greater Buenos Aires), some 250,000 more than in October 1998 and about 300,000 more than one year before. The number of indigents registered a similar increase, growing by 250,000 in just twelve months to approximately 900,000 people. This means that of a total population of 11.8 million inhabitants in the metropolitan area, 27.2% were considered poor and 7.4%, indigent, which represents an increase of 2.9% and 2 points in one year, respectively.

The poverty indexes are greater for Buenos Aires if it is considered separately. In Buenos Aires, poverty went from 30.5% to 33.5% in May 1999, and the percentages for the second Greater

¹ Committee for Economic, Social and Cultural Rights. *Examination of the Reports Presented by the States According to Articles 16 and 17 of the Pact, Argentina*. UN Doc.E/C.12/1994/20 a 52 (1995).

² Final observations of the Committee for Economic, Social and Cultural Rights: Argentina. 08/12/99. E/C.12/1/Add. 38. (Concluding Observations/Comments)

³ «Poverty and Income Distribution in Argentina, Changes and Patterns», extracts published by the *Daily Página 12*, April 30th 1999.

Buenos Aires cordon⁴ revealed an even more critical situation. In just one year, poverty in that zone grew from 37.5% to 41.6%, while the percentage of indigent households grew by 3 points, from 8.3% to 11.5%.

THE DISTRIBUTION OF WEALTH: PARADISE FOR A FEW

Argentina is often presented as a model of success in economic reform. But the situation of vast sectors of the population reflects how reform processes can provoke significant setbacks in the effectiveness of economic, social and cultural rights, consolidating a largely segmented and unjust society.

As is public knowledge, Latin America has become in recent years a laboratory for the study of the processes of «retraction of the welfare state» or «structural readjustment», which imply a set of policies directed toward dismantling the institutions typical of welfare «regimes». Argentina is paradigmatic of these processes.

These processes had a clear impact on the distribution of income. According to the official data for May 1999, a person belonging to the richest tenth of the population earned 25 times more than a person in the poorest tenth. Two years ago, that distance was 23 times; nine years ago, 15 times; and at the beginning of the eighties, only 8 times.⁵ In Argentina, two societies currently coexist: one with incomes similar to the First World, and another with incomes similar to those of Asia or Africa.

In our country, one-fifth of the population receives 53% of the income. This is aggravated by an unemployment rate of 13.8% (1,833,000 people) and a 14.3% under-employment rate (1,959,000 people).⁶ This is the highest unemployment rate registered in the decade of the 1990s, except for 1995 and 1996 (18.4%) during the Tequila crisis. Three million people work informally, «in black»,⁷ and so they are denied all benefits, compensation and on-the-job accident coverage, access to health coverage or unemployment insurance. The situation is even more serious in rural areas, where unemployment reaches 30%.⁸

Besides the discrepancies in distribution of wealth by social class and labour segment, there are also discrepancies in the impact of readjustment among different regions of the country. ***While the city of Buenos Aires has a per capita income of USD 25,654 a year, the province of Santiago del Estero's per capita income is***

only USD 2,308 a year, which marks a relationship of 11 to 1 between two districts of a single country.

While in the city of Buenos Aires the infant mortality rate is near the levels of developed countries (13.1 per 1,000), the figures for Chaco are similar to the national average of 20 years ago and resemble the levels of less developed countries (32.8 per 1,000). There are also similar discrepancies in access to education. While the total drop-out index in primary school is 2.1%, in the provinces of Formosa, Corrientes and Misiones, this figure is tripled, rising to 6%.

THE INEFFICIENCY OF PUBLIC POLICIES

A social development survey revealed few programmes directed toward the population living in poverty and indigence. State inefficiency and/or negligence is manifested particularly in the social programmes considered most critical, those for mothers and children, but also in emergency and other programmes. Barely 2.6% of the households in the country are covered by such programmes. Among the poorest fifth of the population (indigent), the rate is only 8.8%. Hence 91.2% of the most needy segment of the population is not receiving assistance.

These figures denote a notorious inefficiency of social spending. The explanations are not at all promising. Many social resources go to people who simply do not need them. Even worse, much of official social aid does not reach those it is supposed to help. It is lost in the bureaucratic web because of inefficiency (superposition of objectives and assistance groups generating high administrative costs and dispersion of effects with less impact) and corruption.

Social resources have not increased along with the leap in numbers of poor since 1993. ***The increase in funds allocated to social programmes from 1993 to 1997 was insignificant in relation to the growth of poverty.***

The new social policy occupies a «residual» place in the action of the state (at the same time completely dissociated from economic policy). This is demonstrated not only by the reduced percentage of public social spending dedicated to focalized social plans (7%), but also by the cyclic nature of this spending, which expands during times of economic growth, but contracts during crises, precisely the times when it is most needed and should grow. Budget cuts in 1999 endanger the continuity of social programmes for the most needy, such as Pro-Huerta⁹ (Programme of Promotion of Auto-production of Foods), ASOMA (Solidarity Support for the Elderly) and PRANI, among others.

⁴ The second cordon of the Buenos Aires Area is made up of Almirante Brown, Berazategui, Esteban Echeverría, General Sarmiento, Florencio Varela, La Matanza, Merlo, Moreno, San Fernando and Tigre.

⁵ Permanent Household Survey, INDEC, 2nd trimester, 1999.

⁶ *Ibidem.*

⁷ Survey of the Ministry of Labour and Social Security, quoted in the *Daily Página* 12, June 5th 1995.

⁸ «An analysis of rural poverty in Argentina». World Bank, quoted in the *Daily Página* 12, June 13th 1999.

⁹ Pro-Huerta is a food auto-production programme. After budget cuts threatened its existence, Pro-Huerta obtained necessary funding to complete its 1999 plan, beginning with the claim to the Inspection Panel of the World Bank presented by Pro-Huerta beneficiaries with sponsorship by CELS. For more information, consult: www.worldbank.org/inspection

SETBACKS IN THE EFFECTIVENESS OF RIGHTS

The so-called «flexibilisation» of the labour market is a key element of this new scenario. Since 1991, new types of labour contracts were created that reduced or eliminated social duties. The «on-the-job accident» structure was eliminated, denying workers access to real compensation for losses and damages. Private corporations were given control of workplace security and hygiene. Mechanisms were approved that sanctioned the «privatisation» of labour justice, incorporating mandatory, extra-judicial settlements. In the legislation of contests and fractures, the traditional payment privileges for labour loans were changed. The collective agreements of bankrupt companies were suspended, and the responsibility of assuming labour debts for those who acquire companies was eliminated. Indexing clauses for salary readjustment were modified, linking adjustments to future increases in the evolution of productivity indexes.

Labour law has been weakened basically through two mechanisms: a) passage of regressive legislation, which overturned or modified some labour rights and restricted the reach of others; b) legal authorisation of collective agreements to negotiate collectively «downwards» in matters which before were unassailable through this course. These changes took place in the context of high unemployment and a weakening of the union movement.

With regard to social security, a legislative recession since 1993 has limited provisional funds to economic circumstances. This process culminated with changes in the pension fund making payments conditional on the availability of resources within the system. The «Provisional Solidarity Law» invested power in the state to oppose provisional readjustment claims with the excuse of insufficient resources.

The national government decentralised its responsibility for health care rights, transferring it to provincial jurisdictions. This decentralisation has had profound consequences on health care: although responsibilities for promotion and attention were transferred to the provinces, budgetary provisions for these services remained with the central administration. Given the discrepancies among provinces, the process of decentralisation only deepened inequalities in access to health care. At the same time, the loss of employment, informal employment and the reduction of salaries and benefits, transformed the weakened public health system into the main institution serving the medical needs of the population. According to official data, 58.2% of the population has no medical coverage other than that offered by the public hospitals.¹⁰

These regressive legislative reforms have provoked significant setbacks in the degree of effectiveness of economic, social and cultural rights.

- Centre for Legal and Social Studies (CELS)
The information in this report is extracted from the *Alternative Report on the Argentine State*, presented before the Committee of Economic, Social and Cultural Rights by Argentine NGOs coordinated by CELS. The synthesis of the document (E/C.12/1999/NGO/2) may be consulted at the website of the High Commission of the United Nations for Human Rights: www.unhcr.ch
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