



International Presentation

“Austerity” policies in Argentina and their differentiated impact on women, transvestites and transgender people

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IN RESPONSE TO THE CALL FOR CONTRIBUTIONS MADE BY INDEPENDENT EXPERT JUAN PABLO BOHOSLAVSKY ON *THE IMPACT OF CURRENT ECONOMIC POLICIES ON WOMEN'S HUMAN RIGHTS*.

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**Development
Alternatives with
Women for a
New Era**

“Austerity” policies in Argentina and their differentiated impact on women, transvestites and transgender people

The purpose of this report is to provide the Independent Expert with the analysis we make on the “austerity” policies and structural reforms lately implemented in Argentina. The intention of this brief report is to warn about initiatives that, through these measures, put at stake the quality in access, the guarantees of human rights and the living standards of women, transgender people and transvestites.

Background

The current scenario of reforms undergoing in our region is part of a new advancement of neoliberal policies. The surge of regressive reforms in Latin America is marked by what multilateral financial institutions call the “new economy.” According to Iara Pietricovsky¹, the premise behind this “new economy” is to nurture the capitalist model, under the neoliberal pattern, that depends on the reform of national and global regulatory systems, to serve the interests of capital, i.e. the profit and the accumulation processes of large private corporations. Brazil and Argentina are currently an example of these processes.

Reforms promoted within the framework of these processes (labor, tax and social security) are particularly negative for women because they entail cutting funds for social security, basically through the decrease of employers’ contributions and social security contributions. This represents a threat to some of the achievements accomplished in recent years in terms of social protection for women, particularly, for those not closely linked to the labor market. An example of these policies is the termination of the pension inclusion plan, particularly beneficial for women who have a history of unpaid work and informal domestic work, or the decline in purchasing power of the universal child entitlement.

1. Social Security and Pension Reform

Social security measures have been accompanied by interventions in the field of social promotion or welfare policies which somehow implies acknowledging the existence of sectors of the population that remain excluded from institutions related to the world of paid work and from employment policies. However, in the last three years, the measures taken by the State have been noticeably regressive

¹ Pietricovsky, Iara (2017) Presentation at the Feminist Forum against Free Trade, December 11, School of Social Sciences (University of Buenos Aires, UBA, by its Spanish acronym), city of Buenos Aires.

and they significantly restrict the level of economic and social rights accomplished. This represents a violation of human rights, due to the State's failure to comply with its obligations. We will particularly focus on the issue of social security where the policies redirecting resources and assets represent a slow but constant cutting of funds for the Argentine Comprehensive Social Security System (SIPA, by its Spanish acronym).

An important thing to mention is the scenario in which the pension reform² was implemented in December 2017, amid a strong operation of repression and criminalization of social protest³.

WHAT IS THE IMPACT OF THE PENSION REFORM ON WOMEN, TRANSGENDER PEOPLE AND TRANSGESTITES?

- Financial decline in the level of social benefits

Changes in the form of estimating mobility affects and decreases the potential increase of social benefits such as pension assets and cash transfers. The latter has an impact on the elderly population and the beneficiaries of social policy, mostly represented by vulnerable women in a context of precariousness. Article N°1 of Law 27.426⁴ which modifies article N° 32 on mobility of benefits of Law 24.241 and its amendments establish that the mobility formula for the increase of benefits is, quarterly and in 70%, subject to variations in the general level of the national consumer price index prepared by the National Institute of Statistics and Census (INDEC, by its Spanish acronym) and, in a 30%, subject to the coefficient resulting from the variation in the Average Taxable Wage of Permanent Workers (RIPTE, by its Spanish acronym). Before the adoption of the pension reform, Law 26.417 established a semi-annual increase that combined a variation of 50% of wage increase and 50% of tax revenues increase of the National Social Security Administration (ANSES, by its Spanish acronym), establishing a connection between beneficiaries and wage increase and evolution of all active workers. This means that in March 2018, instead of giving the semi-annual July-December raise of around 12%, the raise of the new July-September 2016 formula will be given, showing a 5.7% increase. Accordingly, the criteria that preceded the reform kept the principle of proportionality, based on the nature of retirement pension, as a substitute for wage, in accordance with the interpretation given by Court of article 14 bis of the National Constitution.

- Exclusion of informal or precarious workers.

² To this end, see the following reports: Rameri Ana and Claudio Lozano (2018) [Impact of the first increase based on the new pension reform](#), IPyPP, Buenos Aires. CIFRA; (2017) "A general vision on the pension reform" December, CTA, Buenos Aires.

³ For more information, visit

[the following link](#)

⁴ Law [27.426 of the Pension Reform](#).

Since 2004 and up to 2016, the pension *moratorium* extended the possibility of applying for pension benefits to all workers who had not enough contributory records. Although the benefit was equally available for men and women, mostly women received it (86% of the total number of beneficiaries who applied through this channel, were women)⁵. This was the direct outcome of overrepresentation of women in informal employment and in unpaid domestic and care work, which means that they had reduced pension contribution records. Within the framework of these two pension *moratoria* (Laws N° 24.476 and 26.970⁶) the State acknowledged this issue and granted a contributory benefit, comparable to the minimum asset received by those who made contributions, throughout their work life, through formal employment. This *moratorium* was replaced by the Universal Pension for the Elderly (PUAM, by its Spanish acronym) created through Law N° 27.260, passed by Decree N° 881/2016. It established a 3-year extension of *moratorium* Law N° 26.970 (ending on July 23, 2019) and it was only available for women.

- Rising the age to benefit from the Universal Pension for the Elderly (PUAM, by its Spanish acronym).

Once *moratorium* Law N° 24.476 was repealed, the Universal Pension for the Elderly⁷ was implemented, providing pension coverage for those over 65 who did not meet the years of service required to retire under the contributory pension system. This is a lifelong pension with a monthly payment of 80% of the minimum pension⁸ and is aimed for people with no further social benefits or with a lower benefit, in which case, the person will have to choose one.

In terms of rights gained, this pension represents a setback, particularly for women. These are some of the disadvantages:

- The age to be eligible to start receiving the benefit raised (from 60 to 65).
- The amount is lower than a pension asset (80%) producing discrimination among those who were able to contribute throughout their work life and those who were not.
- You cannot be receiving another social benefit, only the Universal Childhood Entitlement. In case of being entitled to receive the survivorship pension, the person will have to give up the benefit.

- Violation of equality and nondiscrimination principles.

⁵ This measure was commonly known as the "housewives' pension."

⁶ Law [26.970](#).

⁷ [How can adults older than 65 receive the Universal Pension](#).

⁸ In [March 2018](#) the minimum pension amount is \$7,660.42 and the amount of the Universal Pension for the Elderly is \$6,128.34, equivalent to US\$371.32 and US\$297.05 respectively, applying the rate of exchange of the first day of March. It is important to note that the Institute of Statistics and Census (INDEC, by its Spanish acronym) estimated, by November 2017, a total food basket of \$16,027.98, on average, for subsistence and to avoid falling under the poverty line. The amount of the basic food basket is \$6,568.85, which represents the minimum amount of food needed for the subsistence of an average family group and to avoid falling under the poverty line.

Article N°5 of Law 27.426⁹ that incorporates article 125 bis into Law 24.241 regulates the minimum assets guaranteed and creates, in practice, two minimum assets for the elderly population. In this regard, the Association of Labor Attorneys¹⁰ reports discrimination in this article: a minimum for those with 30 years of service and effective contributions, and another minimum for those who benefitted from *moratorium* or whose years of age compensate for the lack of years of service. This measure goes against the principle of equality and nondiscrimination and establishes a social division between those who had a registered work and those who did not, either totally or partially. In this sense, women bear the brunt because they have been historically overrepresented in informal and unregistered work, promoting invisibility and lack of recognition of the work in private homes and unpaid domestic and care work.

The Association of Labor Attorneys (2017) stresses that with the decline in social security benefits and their gradual separation from wage, workers are "induced" to extend their work life, i.e. to continue working and earning a salary to avoid significant reduction of income and living standards. One of the problems posed is that, in view of increasingly reduced pension benefits compared to the active wage, below the poverty line, less beneficiaries will opt to retire at the age of 65, resulting in a negative impact for younger people who want to join the labor market where, again, women, transgender people, transvestites and lesbians face more barriers and discrimination in access.

- **Discrimination against migrant workers**

Considering the recent changes in social security, the rights of migrant workers have suffered a setback and many of those workers are in the informal sector. Those with less than 30 years of contribution, will not be able to benefit from the *moratorium* in force and will have to wait until the age of 65 to apply solely for the Universal Pension for the Elderly. The amount of this noncontributory benefit, as already expressed, is significantly different from other benefits that consider 30 years of effective contribution.

There are additional requirements for foreign nationals. These requirements are in terms of years of residency in the country, before and after the application for the benefit, on top of the impossibility of receiving another social security benefit; once the person applies for a pension, he/she must maintain residency in the country.

- **Cutting funds for the social security system**

⁹ Law 27.426 of [Pension Reform](#).

¹⁰ González H, González Etkin L. (2017). [Pension Reform](#). This bill is unconstitutional, regressive and it violates the human rights of workers. Buenos Aires: Association of Labor Attorneys

Article N° 8 of Law N° 27.426 replaces article 252 of the Employment Contract Law N° 20.744 and clearly sets out that once the worker meets the necessary requirements to apply for the Basic Universal Pension (PBU, by its Spanish acronym), the employer has to provide the worker's contribution and, regarding employers' contributions, only those contributions allocated to the National System of Health Insurance and the Workplace Injury System apply. In this sense, the Association of Labor Attorneys (2017) points out that this is beneficial for the employer but cuts funds for the social security system because as early as a worker meets the age and years of service requirements with contributions and is eligible for the Basic Universal Pension, the employer is exempted from contributing to the social security system and only contributes to the National System of Health Insurance and the Workplace Injury System.

- **Insufficient funds and public policies to sustain a social organization of care based on benefits.**

The nature of social and public policies continues to be the same, with no guarantees for a more just and equitable social organization of care between families, the State, companies and the community¹¹. The analysis of the above points, among which we find a reduced access to benefits and the decline in the level of benefits, makes matters worse due to the lack of public policies to extend and provide access to care services. Thus, women¹² bear the burden of unpaid care work in view of the lack of economic resources to afford care services and of the weak public provision of care services for the dependent population.

Furthermore, it should be noted that the reduction of coverage of noncontributory disability pensions faced during 2017, estimated in around 83,000 cases, could have a negative impact on household income and the material conditions to meet the care needs. The reasons, among others, were based on a strict review of eligibility requirements that entailed proof of poverty or lack of individual as well as household resources, violating rights gained for the more vulnerable sectors (inability to work, minors and mothers of 7 children).

Likewise, these sectors have less access to justice in order to demand

¹¹ In that regard, please see:

Esquivel, Valeria (2012). "Care, economy and political agendas: a conceptual overview on the "social organization of care in Latina America." In *The Feminist Economics in Latin America. A roadmap*. Valeria Esquivel, Compiler. Santo Domingo: UN WOMEN

Esquivel, Valeria (2011), [The Care Economy in Latin America: Giving care a starring role](#). Atando Cabos/Deshaciendo Nudos Series, UNDP, Regional Centre Latin America, Gender Practice Area, Panama.

¹² In the case of Argentina, the results of the [Survey on Unpaid Work and Time Use](#), implemented as a module of the [Annual Survey of Urban Households \(EAHU, by its Spanish acronym\)](#) during the third quarter of 2013, with the aim of gathering information about the participation and the time spent by people aged 18 and over, on domestic chores, taking care of members of the household and on voluntary work.

their rights, therefore, reversing situations where benefits are frozen is an additional challenge they must face³.

2. Impact of the funds cut for social policies

Feminist Economics has insisted on the need to incorporate the care dimension as a core element in the social protection floors, giving visibility and formalizing care practices in the different parts; emphasis has been placed on the importance of shaping comprehensive systems to move towards universality without segmentation, to ease the tension between protection and merits expressed in the labor market; and the importance of extending the entitlement of rights of elderly women¹⁴.

In contrast and additionally to the need for these protection floors to move towards more equal societies, there is a clear decline in the purchasing power of the beneficiaries of cash transfers due to the changes in the update formula. This is additional to the lack of debate and transformation perspectives of the controversial elements of cash transfers, from the point of view of women's autonomy. The feminist economics analyses have backed the acknowledgment of the positive impact of the extended income cash transfer programs (the acknowledgment of women as rights holders, their access to steady income, the strengthening of their role in the internal negotiation processes inside the households, the improvement of their living standards) but also of their limitations (reinforcement of the care role of women through care-related conditionalities -health and education-, social motherhood, the focus on women who are mothers, the weakness of exit mechanisms, the failure to consider actions to strengthen women's possibilities to participate in the labor market or the limitations that the macroeconomic policies themselves impose on job creation), currently acknowledged by the debates on this issue but still unable to produce a progressive change in the characteristics of these programs¹⁵.

Austerity policies implemented by the current administration also imply eliminating and merging assistance programs¹⁶ (Ellas Hacen, Argentina Trabaja, Desde el Barrio) and cuts in coverage of other programs that even with their

¹³ In this regard see [declaration of university professors in the area of social security law](#).

¹⁴ ILO, UNDP, UN WOMEN (2012) Fighting inequality from the basics. Social protection floor and gender equality, ILO-UNDP-UN WOMEN, San José.

¹⁵ Corina Rodríguez Enríquez (2012) "Inequality and poverty assistance policies in Latin America: a critical overview from the feminist economics perspective," Valeria Esquivel, (compiler). The Feminist Economics in Latin America. A roadmap. Santo Domingo: UN WOMEN

¹⁶ Resolution 2018-96 - APN-MDS overrules Resolutions MDS N° 3182/2009, N° 592/2016 and RESOL-2017-257-APN-MDS, the Resolution SCyMI N° 6930/2010, and RESOL-2016-2055-E-APN-SCYMI#MDS and creates the "Hacemos Futuro" program in the domain of the Secretariat of Social Economy of the Ministry of Social Development of the nation. Program guidelines can be found in IF- 2018-07101178-APN-SSPI#MDS.

limitations, sought to strengthen women's capacities, improve their relation to labor market and sustain their economic autonomy¹⁷.

All these policies represent a threat to some of the achievements accomplished in recent years in terms of social protection for women, transvestites, transgender people, in situations of violence or prostitution, many of them not closely linked to the labor market.

This confirms that if the State affirms its commitment to accelerate the implementation of the Sustainable Development Goals and Agenda 2030, its active commitment is needed in terms of affirmative policies of economic development and macroeconomic policies, as well as their monitoring and implementation, to be able to reverse the inequalities described and to work on more progressive policies for women, transvestites, transgender people and lesbians, and a fair and equal social organization of care. Full and equitable citizenship is still an undelivered promise for the vast majority of women, transvestites, transgender people, lesbians and bisexuals.

¹⁷ Within the framework of changes in employment policies, it is worth mentioning the provision of the Secretary of Employment of the Ministry of Labor, Work and Security of the nation that states that as of March 1st. the Training and Employment Insurance (SCyE, by its Spanish acronym) would no longer receive funds from unemployed people (cancelled as of February 1st.). This decision interrupts a process of professional training and labor inclusion of highly vulnerable groups on account of gender, particularly transvestites, transgender people, women victims of male violence, prostitution, people living with HIV because this program was a tool to convene, follow-up and support employability.