**From employment insurance to social protection:**

**transformations of welfare in Argentina after 2003**

**Draft**

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**Abstract**

Argentina saw an unprecedented rate of inclusion of the poor into social protection after 2003. The government appealed to work conditionality as the rationale for cash transfers, as the long-standing welfare model of employment benefits made work the most recognizable route to inclusion. Until 2003 Argentina had no unemployment benefit beyond the insurance accumulated through years of formal employment.

Work conditionality underwrote the creation of the first mass cash transfer programme, the *Plan Jefes y Jefas de Hogar Desocupados* (Programme for Unemployed Heads of Households)*.* Plan Jefes y Jefas was rolled out to two million beneficiaries and was indistinguishable from workfare programmes in other countries – beneficiaries had to work in order to receive the benefit. Yet the meanings attached to Plan Jefes y Jefas by those who implemented it, and by beneficiaries, were substantially different from how workfare was understood elsewhere. Instead of reducing welfare entitlements it created them for the first time; indeed one of the main criticisms of Plan Jefes was that it generated welfare dependency, a new phenomenon in Argentina.

The programme was launched at a moment of extreme economic hardship as an emergency measure. Thus beneficiaries of the programme were not targeted. They were however, intensively studied after they came forward to demand the benefit and the analyses of recipients provided the first detailed social profiling of informality and unemployment available for Argentina.

What followed were measures to reduce the number of beneficiaries. Until 2009 new programmes continued to seek to regulate informal employment and unemployment through the work conditionality of programmes. This paper analyses the shortcomings of this approach and how they contributed to a new type of benefit in 2009: a universal (but means tested) child benefit. The uses of work as social policy driver chart the transformations of welfare that have taken place in Argentina since 2003.

**Introduction**

Social policy in Argentina has been built on employment insurance paid by employers of registered employees. Employers’ contributions pay for health care, pensions and a range of other legally binding benefits agreed with the relevant union and enforced by the state through collective agreements and the law. It is a highly stratified and segmented system of welfare with welfare coverage reflecting the value of contributions.

The economic reforms enacted during the 1990s altered the coverage of welfare, due to the sharp increase in unemployment. There were no unemployment benefits beyond the insurance accumulated through previous formal employment. No other safety net was available, and the logic of social policy, and the way welfare was organized, did not change to adapt to the new conditions; the result was the growth of poverty.

The changes in welfare provision that took place after 2003 began to enlarge the role of the state in delivering welfare. But to understand the changes after 2003 we need to widen our viewpoint to encompass the decade from 1999 to 2009. A review of the changes that took place over that period show the process of transformation that expanded social protection to sectors of the population never before entitled to welfare and the state’s role in facilitating and providing it. This article focuses on the social protection that arose from conditional cash transfers (and not on the significant growth of noncontributive pensions, as these merit separate treatment [see slide])[[1]](#footnote-1).

The article begins with a brief account of the welfare available before 1999 in Argentina. The main part of the evidence of social policy design and implementation presented is taken from the period 2003 to 2008, which saw the creation and significant ‘churn’ of new types of welfare programmes. One of the outcomes of this period of creation and flux in social policy was the reconfiguration of social protection programmes that were enacted from 2009 onwards and which remain in place currently in 2014.

My focus main focus is on the period between 2003 and 2009, because it was during this time of responding to heightened social need that new approaches were attempted and discarded. There were two economic points of inflection during this period: the national financial crisis of 2002 and the international financial crisis of 2008. These were the most salient external factors in shaping social policy. The most relevant internal factors included the influx of progressive academics into the policy arena and the wealth of new social data made available by the new programmes implemented after 2003 about informal workers and poor families. The focus naturally owes something to the fact that I did my fieldwork between 2006 and 2008: I went in to follow one programme and found that what was most significant in welfare was the jostling for different visions of social protection in a context where the consensus on what was the best form of welfare – insurance through employers’ contributions – was not applicable to half the population.

The article is divided into four sections. In the first I briefly review the reasons for the lack of unemployment benefits before the late 1990s. In the second section I describe how the first residual programmes of the 1990s were expanded in 2002; we then critically consider the policy headline of the period 2003-2008, ‘employment is the best social policy’, encompassing the main programmes created during the period. Finally we examine whether the process of development of new programmes, including their replacement in 2009, transformed social policy in Argentina.

**Unemployment benefits before 2003**

Even though Argentina had been a ‘welfare pioneer’ (Mesa-Lago, 1978), with social protection measures operational from the late 1940s, programmes for the unemployed were only first established in the 1990s. Welfare in Argentina entailed health insurance and pension contributions paid for by employers, along with a number of other special benefits, such as a child benefit (*asignación familiar*) and paid leave for a range of situations, including maternity. Employment insurance was based on a model of a ‘family wage’, typically including a whole family in the health insurance of one (mostly male) employee.

The insurance model for welfare meant that pensions, health cover and other benefits were related to wages. Moreover, it was a contracted cover that lessened costs but was not free, and did not pool resources across all contributions. That is, welfare was stratified with significant differences in services according to income. Thus the privatizations of pensions in 1994 did not change the system for employees; it did however, cause a significant shortfall in state revenue which diminished the solidarity effect of pooling pension funds[[2]](#footnote-2).

In this structure of welfare, no employment meant no access to welfare. It was only in 1991 that a National Employment Law introduced the standard international definition of employment policies into Argentina. That is, programmes to regulate and support the entry of individuals into the labour market. The perceived need for action on employment problems stimulated new legislation, yet only minimal resources were allocated to these problems during the 1990s. Thus throughout the 1990s, ‘active employment policies’ reached few beneficiaries and had little impact on the scale of unemployment which peaked at over 20 per cent in the late 1990s (Cortés and Marshall, 1993; Marshall, 1997; Bertranou and Paz, 2007).

Up until 1997 there were no cash benefits available to the unemployed beyond the insurance accumulated during periods of formal employment. The growth in unemployment during the late 1990s led to the creation of small programmes aiming to support the training and employment chances of recipients. The best known of these programmes was *Plan Trabajar*, a national initiative. There were other similar projects at provincial level, but it is estimated that the total number of recipients was unlikely to have surpassed 500,000[[3]](#footnote-3) at a time when the unemployed numbered 1.5 million and 9 million lived in households below the poverty line (Ronconi et al. 2006). Cash transfers for the unemployed were the first formulated social programme outside the insurance model in the late 1990s.

The rise in unemployment during the 1990s undermined the employment insurance model of welfare to the point where poverty grew and there was no safety net available. The peak in unemployment caused by the financial crisis of 2001/2 made poverty widespread and became the catalyst for social policy changes.

**Plan Jefas: scaling up**

The social emergency unleashed by the financial breakdown in 2002 in Argentina was evident on the streets of the country. Barter fairs, assemblies in parks, demonstrations on the streets: economic activity ground to a standstill as devaluation sank in and nobody knew how to cost everyday transactions. The growing poverty of the 1990s became extremely visible. Policy makers scrambled to create an emergency response to the breakdown in economic activity.

What they came up with was the expansion of the mechanisms of Plan Trabajar, but with a much broader remit. It was called *Plan Jefes y Jefas de Hogar Desocupados* and the decree[[4]](#footnote-4) that gave it a legal framework was entitled thus: ‘to be applied while the National Occupational Emergency lasts. Objective: Family Right to Social Inclusion’[[5]](#footnote-5). The objective was a familiar one to conditional cash transfer programmes across Latin America, social inclusion of families. It was the first time in Argentina that the language of rights was used to describe social assistance, and it was the first time a cash benefit was designed for a large sector of the population.

The programme broke new ground in social protection because the decree stated that it was to be universal in its reach. However, the aim of universality was undermined by the limited window of time given to beneficiaries to sign up: just over one month between April and May 2002[[6]](#footnote-6) (Campos et al., 2003). Plan Jefas shared some characteristics with conditional cash transfers in other Latin American countries, such as health and education checks for children. Yet the element of community work that was the main condition of Plan Jefas, and its emphasis on employability, were unique to Argentina (Rawlings, 2005; Kliksberg, 2006). The design of Plan Jefas drew on the experience of poverty relief programmes in the region[[7]](#footnote-7) but also on programmes for the unemployed in Argentina during the 1990s.

Plan Jefas was introduced in the midst of extremely difficult circumstances in Argentina. A non-elected caretaker government was in office, the peso had been devalued by 75 per cent[[8]](#footnote-8), and the aftermath of the social and financial upheavals of December 2001 remained at the centre of public concerns (Galasso and Ravallion, 2003; López Levy, 2004). Months of social mobilisations triggered by banking restrictions and institutional disarray made the effects of two years of recession and the collapse of the currency very visible. People took to the streets daily to demand jobs and political changes. Other public spaces were also the site of collective action: communal kitchens, barter clubs, and other forms of community organisation were providing immediate relief from the economic difficulties many suffered (Di Marco and Palomino, 2004; Ozarow, 2007). Plan Jefas was rolled out at this time and became interlinked with these civil society initiatives to deal with economic upheaval.

The main conditionality of Plan Jefas was that beneficiaries should carry out 20 hours per week of productive or community work, to be determined locally, most often through social organisations. Social organisations were responsible for generating the projects where beneficiaries could carry out their community work obligations. The type of work carried out in return for receiving Plan Jefes broke down in the following way: 60 per cent of beneficiaries were involved in community projects; 20 per cent in municipal work; 8 per cent in productive micro-enterprises; 6 per cent of beneficiaries were gaining school qualifications; 4 per cent were in training; and 2 per cent were devoted to other activities (MTESS, 2004a).

The programme differed from other conditional cash transfers in the region due to its emphasis on heads of households, alluding to a missing ‘family wage’. Plan Jefas also explicitly referenced work as the central mechanism for social integration. The preamble to the decree expressed that this emergency required a response, given ‘the value Argentinian society places on work, as the exercise of a right and also as the fulfilment of its members’ responsibility to participate in efforts to create wealth and satisfy the pressing needs of the community.’[[9]](#footnote-9)

**‘Employment is the best social policy’**

The ‘occupational emergency’ was met with a range of policy initiatives across government ministries and departments. Plan Jefas was one large strand of a three-pronged approach to tackling employment problems and consequent poverty. The other two were efforts to register informal workers, and programmes to support enterprise and self-employment. Although these would usually count as employment policies in other countries, in Argentina they were partly promoted and administered from the Ministry for Social Development. [see slide] This institutional arrangement showed in practice that the slogan of ‘employment is the best social policy’ went beyond mere words and underpinned many of the assumptions made by policymakers.

In the period between 2003 and 2008, a prominent and ongoing effort was made to register workers and enforce employers’ contributions. A dedicated and wide-ranging programme was devoted to this end, the ‘Integrated Employment Plan: More and Better Work’[[10]](#footnote-10)*.* The Ministry of Work expanded its inspection capacity and supported legal action to help informal workers access formal employment. The term ‘*formalización*’ was used to refer to this aim; in Spanish the word means to ‘make formal’, and in this usage the word referred to the process of registering employees to pay pension contributions and health insurance. This was the minimum expression of ‘formal’ employment, while the most comprehensive version included a wider range of taxes and services paid by employers on an insurance model.

A smaller programme created by the Ministry for Social Development to promote self-employment overlapped with Plan Jefas and with ‘formalisation’ efforts. This smaller strand of programmes focused on enterprise, and how to support self-employment; the best known of these was *Plan Manos a la Obra*. Confusingly for international comparative work, the Ministry for Work administered Plan Jefas[[11]](#footnote-11) while it was the Ministry for Social Development that led on social enterprise initiatives such as Manos a la Obra. The aim of policymakers was to make enterprise and self-employment a form of local development where collective enterprise served to strengthen communities as well as provide livelihoods. There was overlap between beneficiaries of Plan Jefas and Manos a la Obra, as there was between the Ministries in the coordination of programmes.

The beneficiaries foreseen by the policy designers of Plan Jefas were unemployed heads of household; they were expected to be men with previous work experience. And although the title ‘Plan Jefes *y Jefas’* explicitly included women, policymakers did not expect the majority of applicants to be women[[12]](#footnote-12) (Pautassi, 2004). In fact MTESS evaluations found that over 70 per cent of the programme’s beneficiaries were women (MTESS, 2004a). In comparison, the estimated proportion of women-headed households across society was about 30 per cent (Torrado, 2007). The MTESS explained this discrepancy as being due to the higher numbers of women-headed households among the poorest sectors of society (MTESS, 2004a). Other researchers proposed that this could be at least partly explained by family strategies in which the partner able to earn the least (usually female) applied for the programme while the other (usually male) tried to find paid work (Tabbush, 2009).

The demographic data provided by registering and surveying Plan Jefas beneficiaries was not only counterintuitive for policymakers; it was also the most detailed information compiled on poverty and informality available. The unprecedented size of the Plan Jefas programme attracted a wide variety of researchers and this intensive study of beneficiaries provided invaluable data for by policymakers in both the Ministry of Work and Social Development to design follow-up programmes.

In a bid to discourage dependency, the original benefit of AR$150[[13]](#footnote-13) per month remained unchanged throughout the life of the programme. The value of the benefit can be better understood by comparing it to the minimum wage; this was re-introduced in 2003[[14]](#footnote-14) at AR$250 per month. However, by the end of 2008 the minimum wage had risen to AR$1.240, an increase driven by inflation adjustments as well as improved purchasing power.

Policymakers had assumed that beneficiaries would cease to draw the benefit as the economy recovered, yet the number of beneficiaries remained high even as employment grew. The process of designing follow up programmes that were better suited to the needs of beneficiaries began in both ministries. The follow up programmes were divided along a line of employability. For men, deemed to have been active in the labour market, and therefore employable, there was the option of grants for self-employment projects or training. The main exit programme for them was the *Seguro de Capacitación y Empleo* (Employment and Training Insurance) or the above mentioned Manos a la Obra.

The available evidence led policymakers to assume that the majority of beneficiaries of Plan Jefas might be better served by a programme that supported families. Targetting women specifically, assuming them to be carers and previously inactive in the labour market, Plan Familas was rolled out in 2004. Plan Familias was designed to provide ‘more appropriate support’[[15]](#footnote-15) for the majority of Plan Jefas beneficiaries. It was, as the name suggests, a benefit that sought to facilitate women’s caring roles, and the conditionality was school attendance and vaccinations for children. One aim of Plan Familias was to overcome the unforeseen gendered uptake of Plan Jefas, and policymakers sought to address the perceived needs of the profile of beneficiaries revealed by evaluations (Monza and Giacometti, 2003; MTESS, 2003; 2004a). However, related gender issues, such as equality of opportunity after Plan Jefas, or the distribution of care work in families, were not considered (CELS, 2007).

The planning process for Plan Familias had input from international agencies with experience of social programmes in the rest of Latin America. It was set up with funds from the Inter-American Development Bank (IDB)[[16]](#footnote-16), and was designed with input from a wide range of state representatives and civil society actors[[17]](#footnote-17). Given the social and economic conditions of growth and political stability in which the policy was designed, it could be understood as a measured response to social needs; its aims and content incorporated considered approaches to social policy. For the multilateral agencies, Plan Familias was a good example of a social protection programme aimed at the very poor (World Bank, 2009). The IDB praised the objectives of the programme for strengthening institutions, as well as making use of the method of conditional cash transfers. For local policy designers it was a way of recognising the vulnerability of women with children and ensuring their social protection.

And yet, in spite of all that groundwork, and even though the stipend offered was higher, the movement of beneficiaries from Plan Jefas to Plan Familias was very slow.

Plan Familias targeted women as recipients of cash transfers aimed at improving the health and education of their children (CELS, 2007). The cash provided was more than that given by Plan Jefas. The amount of the benefit varied with the number of children, but in 2008 it provided an average of US$65 per month[[18]](#footnote-18) (Rofman and Ringold, 2008). The conditionality involved children’s regular medical checks and school attendance certificates. Aside from food aid, Plan Familias was the largest state social programme, both in terms of number of recipients and funding (MDS, 2006). The number of beneficiaries rose every year from its initial implementation, with 240,000 families in 2005, up to 695,000 in 2009 (Cruces et al. 2008). The continued expansion of coverage showed a move away from the original target limited to Plan Jefas beneficiaries, towards a more comprehensive conception of social protection. The increase year on year in beneficiaries meant nearly 2.5 million children were included by 2009 (MDS, 2009).

As with Plan Jefas, the approach in Plan Familias underlined the differences with workfare in liberal welfare regimes, as mothers were encouraged to be inactive and were explicitly labelled ‘unemployable’ (MTESS, 2007). Instead of forcing mothers to enter the labour market (Evans, 2007; Millar, 2008), the conditional requirements of Plan Familias supported them staying at home and aimed to support family life and the development of children.

With Plan Familias, Argentina followed the regional trend in applying a generic ‘conditional cash transfer’ (CCT) programme that resulted in women being cast in traditional home-making roles (Molyneux 2008). The programme assumed the welfare, health and education of children to be primarily women’s responsibility. The programme supported the family in its traditional nuclear form, and within the family home. One of the comments made by social workers[[19]](#footnote-19) was the welcome emphasis in Plan Familias on restoring the central place of the home as the place to share meals. The way government food aid had been distributed historically was via community venues such as soup kitchens; thus many poor families had become used to eating communally. One Plan Familias official summed up the feelings of many involved in the implementation of the programme: ‘I find countless homes without food in the kitchen cupboards, because they all eat at the local soup kitchen; we are encouraging the women to use this subsidy to buy their own food and have more control over their kids, to keep them at home more of the time’[[20]](#footnote-20).

Beneficiaries, on the other hand, highlighted different aspects of the programme. RB., a 32 year-old woman from Entre Rios province said to me, ‘the money is useful to help me look after the children, and although I miss the activities I did for Plan Jefas, not having the work conditionality leaves me freer to work’[[21]](#footnote-21). By moving women to Plan Familias, a large number of Plan Jefas beneficiaries became excluded from help for finding employment or training for work. This was in spite of data showing that women said overwhelmingly that they wanted programmes that included training to improve their employment opportunities (Cruces, Rovner and Schijman, 2007).

When evaluations showed that women were the majority of beneficiaries of Plan Jefas, and the most active participants in community activities, it was assumed that the stipend was supporting their family caring role (Neffa et al., 2008: 301-2). Yet 77 per cent of women beneficiaries of Plan Jefas reported that they had work experience; they were also more likely than male beneficiaries to have had a permanent job previously (ibid.). Still, Plan Familias was designed to ‘allow’ them back into inactivity after being ‘wrongly’ labelled unemployed[[22]](#footnote-22).

The assumption that women in Plan Familias were inactive went hand in hand with the belief that they shared a home with a wage-earning male partner. The additional emphasis on (un)employability and the assumed economic inactivity of beneficiaries was a particular characteristic of the Argentinian version of conditional cash transfers. The assumption collided with the statistical weight of women in the labour market, who represented 40 per cent of the economically active population (EPA) (UNDP/ILO, 2009). It was also contradicted by what was known about Plan Jefes, when at the end of 2002 surveys showed that 87.5 per cent of women beneficiaries were active in the labour market (Neffa et al., 2008).

The weight of evidence of the lack of fit between beneficiaries’ expectations and policy aims of Plan Familias mounted but there was no public debate as to how it could be resolved. There were no indications that policymakers were busy designing a programme that began from very different presmises. In late 2009 it was announced by the president that Plan Familias and a range of other social assistance programmes were to be replaced by the *Asignación Universal por Hijo*, a Child Benefit.

The Asignación Universal por Hijo (AUH) was presented by President Cristina Fernández in November 2009. The AUH was a benefit available for every child whose parents could prove they were unemployed, informally employed or domestic workers (even registered ones). It was administered by the National Administration of Social Security[[23]](#footnote-23) (ANSES), which could corroborate the employment status of parents in their databases.

After all the tweaking of previous programmes, AUH was a wholesale move away from using social policy to regulate men and women’s activity in the labour market. Perhaps most surprising, given the policy effort of ‘formalisation’, AUH was an implicit admission that welfare coverage was not being achieved through employment in formal jobs, nor through the type of formality enjoyed by domestic workers.

The number of beneficiaries showed that the commitment to universality was being pursued more forcefully, with 4.5 million children covered by AUH in the first year (Cogliandro, 2010; CTA, 2010). In comparison to the previous programmes for the unemployed and informal and domestic workers, the AUH signalled a different conceptual framework where social protection took precedence over economic participation. The employment status of parents was considered, but in such a way as to facilitate the access to protection of those not in the labour market. The programme was hailed as a change of approach that policy observers hoped would be sustained into the future as a new model of social protection (Fernández, Gallo, González and Sacavini, 2010; Repetto and Díaz Langou, 2010). Within a year of its implementation, it was successfully reducing poverty and extreme poverty (Agis, Cañete and Panigo, 2011; Pautassi et al. 2013).

**Was social policy transformed?**

A brief review of new welfare programmes implemented between 2003 and 2009 show an unprecedented expansion of state support for the poor. Was welfare transformed in order to bring about this expansion?

The first social policy solutions designed had at their core strong assumptions about the role of registered employment in providing welfare. Programmes focused state resources on maximizing the chances of acquiring a formal job, or alternatively, on defining the relationship to the labour market (in the case of women and Plan Familias). Additionally a smaller component of new programmes aimed to develop enterprise and self-employment as new routes to social protection. Encouraging enterprise remained a social policy goal beyond 2009 with new initiatives such as *Argentina Trabaja*[[24]](#footnote-24) and a special ‘social’ self-employment tax.

The belief in formal employment as the market solution to provide welfare was an unshakeable ideal throughout the period. It has not been replaced by a different conception of welfare to strive for. Neither publicly nor privately have there been indications that that the state should be the main provider of social protection as a right. The recurring idea in social policy development was finding ways in which the state could regulate and promote the market to pay for and provide welfare. Social policy was explained as a response to market failure: to provide a safety net that had not previously been available.

Faced with the market’s failure to provide jobs with welfare, the government used state resources to stimulate demand and provide an ‘income of last resort’. It was a pioneering approach to make the state the employer of last resort (Wray, 2007), and it was foreseen as a short-term solution to a critical moment in time. Financial uncertainty had destroyed jobs and economic recovery was expected to absorb beneficiaries back into the labour market. This was the role played by Plan Jefas, to provide a temporary fix at a time of economic disruption. But Plan Jefas, and other social policy measures taken after 2003 made a distinction between economically active and inactive beneficiaries, using the limits of market insurance provision to fix the boundaries of responsibility between the market and the state.

The failure of Plan Familias had to do with not meeting the expectations and needs of beneficiaries. But it did not fail on the assumption of conservative notions of the family, of a ‘breadwinner’ wage model and women’s primary responsibility for the family’s role in social development. Instead, beneficiaries’ main concern was that it failed when it assumed women to be inactive in the labour market. This provides evidence that policymakers’ assumptions regarding the centrality of employment to welfare is shared with beneficiaries of programmes.

The data on informality, poverty and livelihood strategies provided by Plan Jefas and the subsequent problems with Plan Familias revealed the limitations of using employment-derived definitions of welfare. The evidence from the majority of women beneficiaries was that they struggled with poverty but were also part of the labour market and were keen to remain so, yet their work did not provide welfare. Families could make good use of support for children’s development, but women also needed recognition of their participation in the labour market. For both women and men, it was informal work, and its accompanying lack of social protection, that was the most pressing problem.

The policy initiatives to increase registered work succeeded but only very partially. The sustained and concerted efforts targeted at increasing registered work grew the rate of employment by 11.6 per cent and reduced informal employees by 9.6 per cent between 2004 and 2011 (Bertranou et al. 2013:22). In spite of these achievements, informality affected up to 49 per cent of workers, depending on how it was counted (ibid.). Thus the significant creation of formal jobs in the period was still insufficient for welfare to be provided by the market for all (see Maurizio et al., 2008; Beccaria and Groisman, 2009).

The stress on employment being ‘the best social policy’ was unassailable during the period of sustained economic growth between 2003 and 2008. Only towards the end of 2008 did international financial problems begin to affect local activity (Tokman, 2010) and it became less likely that improvements in employment could provide the bulk of welfare coverage and alter the employment profile of the economically active population.

Yet the rhetorical uses of the language of employment continued to have force in social policy. ‘Formalisation’ campaigns keeping in putting job registration on the agenda; Manos a la Obra promoted entrepreneurship as a way to strengthen social linkages; Plan Familias tried to re-create a labour market of male breadwinners where women could stay at home and look after children. The programmes implemented until 2008 showed a concerted effort to establish formal employment as the objective for all workers, setting the baseline of ‘decent work’ (ILO, 2002) with welfare for all. The notion that welfare was best generated by regulating economic activity has been characterised as ‘productivist’ (Gough and Wood with Barrientos, Bevan, Davis and Room, 2004; Rudra, 2007; Repetto, 2008). Productivism fitted with Argentina’s history of welfare, based on employment protection, a strong centralised union movement and inclusion through economic participation.

Yet the use of social policy to further employment ends, as an important element of reconstructing the ‘productivist’ dynamics in the economy were not able to revert the incidence of persistent poverty. The remaining poverty and informality at the end of five years of strong economic growth with the cash transfer programmes described above seemed to signal the limits to an approach where work was the driver for social policy.

The experience of promoting registration of workers and of actively fostering self-employment led to a process of learning and changes in policy that would eventually lead up to the creation of the *Asignación Universal por Hijo* (AUH). On the one hand, the child benefit seemed to be a radical departure from the array of targeted programmes that sought to underpin the ‘culture of work’ through social policy. AUH aimed to be universal (although means tested) and to provide support for children as a right. The benefit acknowledged the difficulties in reducing informality and its associated poverty. The conditionality of the benefit, mainly school attendance and vaccinations, reinforced beneficiaries’ connections to free public services. When it was launched it was worth AR$180[[25]](#footnote-25) (approximately US$47) per month per child. The benefit was allocated automatically, and eligibility could be consulted online; if a child did not appear in the ANSES records, the procedure to add them involved only taking the child’s identity documents to the nearest ANSES office. In comparison to Plan Familias and other programmes run by the Ministries of Work and for Social Development, access was much faster, transparent and straightforward.

And yet… The idea of benefits derived from employment is imprinted in the name of the new conditional cash transfer. *Asignaciones familiares* is the term used to describe a child benefit that is part of the insurance package of registered employment in Argentina. It puts the AUH on a continuum where employers provide it for formal workers and the state does so for informal workers. Charging the ANSES with the disbursement of the AUH was a significant institutional change. The ANSES is strongly identified by beneficiaries with formal employment, and being included in the institution that administers welfare through work is seen to bridge the gap between informal and formal workers[[26]](#footnote-26).

**Conclusions**

The shift from employment insurance providing most welfare needs to state social protection currently providing cash transfers for over 7 million people seems a radical transformation of social policy. And it doubtless is in terms of financing and administration. And yet the logic of market provision through employment has not been replaced, nor even displaced. Social protection has developed as a way in which the state takes responsibility for market failure. The AUH is a programme more often associated with universal, rights based welfare systems. Yet in Argentina it has been deployed in keeping with the overall understanding of how the state may best support the market in generating wealth and welfare. Productivist and protectionist approaches have tended to be seen as mutually exclusive in regional studies of regimes (Martínez Franzoni 2007; Repetto 2008), with one generally prevailing over the other. In Argentina it may be too early to tell to what extent the introduction of more protectionist programmes will affect the overall pattern of welfare; only a few years after its introduction, the child benefit is subsumed within a still strongly productivist approach to welfare.

The proportion of people covered by employment insurance has changed, and it seems unlikely to revert to employment being the only mechanism for generating welfare. Those left outside of the insurance scheme have been offered social protection by the state. But both the programmes with work conditionality and the AUH provided a cash stipend that was so low as to also imply the market reliance of beneficiaries. None of the programmes could be properly described as ‘income replacement’. This is only partly an issue of financing programmes; it is also a choice to make state support truly a last resort.

The programmes implemented around 2003 (Plan Jefas, Manos a la Obra) sought social inclusion through addressing employment and economic enterprise with social policy. The solidarity needed for the expansion of cash transfers from the state was elicited from society at large because it was inclusion through employment. Extending the ‘culture of work’ was a clear way to legitimate state support. The same logic that insists on those of working age contributing also allowed the expansion of noncontributive pensions for those unable to be part of the labour market due to age or disability.

Drawing on the historic welfare settlement in Argentina to design new measures is not surprising. In this case, it is also a reminder that the market solution of insurance through employers’ contributions was an integral part of the welfare model for decades before the market triumph of neoliberal policies of the 1990s. In spite of the expansion of the state’s role in supporting those the market fails, the main thrust in social policy remains finding new ways of regulating the market to generate welfare.

The weight of history seems to lift when we see Argentina’s adoption of welfare initiatives such as the state becoming employer of last resort or a child benefit, both previously associated with very different types of welfare regime, more rights based and protectionist. Perhaps we need to reassess the connections between policies and politics. There had been advocates of a child benefit in Argentina, who had indeed argued from a rights based perspective, and from social democratic model of welfare (Cruces and Gasparini, 2008; CTA, 2010). But it was not their influence that created the AUH. The child benefit was not subject to public discussion of its rationale, nor were any justifications given for its adoption. It was not debated in Congress. It was announced by the President with no prior notice, as a measure conceived by the Executive, in the same top-down approach to policymaking shared across all programmes after 2003. The speech President Fernández made to announce the benefit[[27]](#footnote-27) laid out clearly her aims for it: she began by praising its future contribution to social order and for simplifying social policy implementation. The one mention of rights was in the context of the vulnerable having the right to demand help. She then acknowledged that the idea had been put forward a decade earlier by the Confederation of Workers of Argentina (CTA), but with a backhanded compliment that neatly summarised the relationship between the left and Peronism in Argentina, she concluded her speech saying that the left had good ideas, but only Peronism was able to put them into practice.

I would agree with Segura-Ubiergo that the top-down approach to welfare creation has been an understudied characteristic of Latin American welfare generally (2007:260). He proposes that the Bismarckian vision of social insurance as a form of coordination between labour and capital, mediated by the state, was a major force underlying welfare provision in the region. The political implications include a tradition of economic citizenship which went ahead of civil or political rights, and where social rights were granted within the context of participation in the market, and not in politics. In Argentina the legacy of what Filgueira calls ‘a verticalist, corporatist arrangement in the expansion of its social state,’ (2004:13) seems alive in the way new social policy has been developed.

It is too early to tell if social policy has been permanently transformed; we may not find out until some of these new initiatives are in danger of being lost, through political or economic changes, and need defending.

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1. 1999: Recipients of cash benefits, est. 888,000. Plan Trabajar: 498,000; noncontributive pensions: 390,000. 2009: Recipients of cash benefits, est. 7,600,000; Asignación Universal por Hijo (AUH): 3,500,000

   Noncontributive pensions: 4,100,000. Sources: Cárcamo Manna (1998); Noncontributive pensions in 1999: Bertranou, Solorio and van Ginneken 2002 Pensiones No Contributivas y Asistenciales: Argentina, Brasil, Chile, Costa Rica y Uruguay. Santiago: OIT. AUH figures, Pautassi et al. (2013); pensions in 2009, Lustig and Pessino (2012), calculations based on Chief of Cabinet of Ministers Memory to Congress (2009), Social Security Administration in Argentina (ANSES). [↑](#footnote-ref-1)
2. Pensions were re-nationalised in 2008. [↑](#footnote-ref-2)
3. Plan Trabajar, 328.574; Servicios Comunitarios, 110.651; Barrios Bonaerenses, 59.675; total 498.900. The author notes that data was only available for the province of Buenos Aires. In Cárcamo Manna (1998), based on data from MTESS and the Provincial Employment Institute. [↑](#footnote-ref-3)
4. Decree 565/2002. [↑](#footnote-ref-4)
5. ‘Creación del citado Programa para ser aplicado mientras dure la Emergencia Ocupacional Nacional. Objeto. Derecho Familiar de Inclusión Social.’ *Boletín Oficial*, 4/4/2002. [↑](#footnote-ref-5)
6. The government made public a final registration date in May 2002 (*La Nación*, 19/10/2004). Accessed online July 2008, <http://www.lanacion.com.ar/nota.asp?nota_id=646227>. From then on new entrants were accepted only through judicial contestation or without public acknowledgement. [↑](#footnote-ref-6)
7. The introduction of Plan Jefes coincided with the rolling out of the two largest programmes in the region: *Oportunidades* in Mexico in 2002 and *Bolsa Familia* in Brazil in 2003 (Levy and Rodríguez, 2005; Lindert, Linder, Hobbs and de la Brière, 2007). [↑](#footnote-ref-7)
8. In January 2002, President Eduardo Duhalde repealed the law that had kept parity between the Argentinian peso and the US dollar. Overnight the rate of exchange fell from 1 peso to 4 pesos to the dollar (Godio, 2002). [↑](#footnote-ref-8)
9. Ibid. Decree 565/2002. [↑](#footnote-ref-9)
10. *Plan Integral de Empleo Más y Mejor Trabajo.* [↑](#footnote-ref-10)
11. Responsibility for Plan Jefas was shared by the Ministry of Work, Employment and Social Security (MTESS) and the Ministry for Social Development (MDS), although the MTESS carried out the bulk of its administration. The creation of institutional capacity within the MTESS employment department in the 1990s meant that there was a core of expertise to expand on; it made the MTESS the best placed to implement Plan Jefas, which it did very quickly. The MTESS oversaw the financial aspects of the programme: it managed international grants for the programme, and also the monetary transfers to beneficiaries and between intermediary organisations. It also kept a register of all beneficiaries receiving the monthly stipend. [↑](#footnote-ref-11)
12. Author interview, DK in MTESS, 8/6/2006. [↑](#footnote-ref-12)
13. In 2002 this was equivalent to approximately US$50. [↑](#footnote-ref-13)
14. The minimum wage had been abolished in 1993. It was reintroduced by the Council on Productivity, Employment, and Minimum Living Wage (*Consejo de la Productividad, el Empleo y el Salario Mínimo, Vital y Móvil*) in 2003*.*  [↑](#footnote-ref-14)
15. Author interview, CG in MDS, 22/5/2008. [↑](#footnote-ref-15)
16. The total cost of the 3-year project was US$1,000 million, with the Government of Argentina contributing around US$300 million and the Inter-American Development Bank providing US$700 million. IDB Press Release, October 26th, 2005. [↑](#footnote-ref-16)
17. Author interiew, CF in MDS, 7/5/2008. [↑](#footnote-ref-17)
18. The amount was defined by the number of dependents under 19, or with disabilities, and ranged from AR$200 to AR$380 (US$ 57 to US$ 108 in 2008). [↑](#footnote-ref-18)
19. Most of the staff implementing the programme locally were qualified social workers. [↑](#footnote-ref-19)
20. Author interview, MB in MDS, 27/5/2008. [↑](#footnote-ref-20)
21. Author interview, RB in Entre Rios, 24/8/2008. [↑](#footnote-ref-21)
22. Author interview, CG in MDS, 22/5/2008. [↑](#footnote-ref-22)
23. Trans. *Administración Nacional de la Seguridad Social.*  [↑](#footnote-ref-23)
24. Conceiving of the state as employer of last resort for Plan Jefas was not an isolated emphasis, but remained current in 2010 when the programme *Argentina Trabaja*: *Ingreso Social con Trabajo* was launched. Argentina Trabaja offered a much higher stipend to the unemployed who worked in cooperatives on state-defined projects. The more realistic income replacement (AR$1,200 in 2010), was still below the minimum wage (AR$1,500). As with Manos a la Obra, it was administered by the MDS, and was based on associative working, but the cooperatives were foreseen to be much larger than those involved in Manos a la Obra projects. It was a continuation of implementing social policy within the social economy, with an emphasis on collective work. Argentina Trabaja took away the emphasis on enterprise and put it instead on cooperative organisation, with the state as direct provider of work and monthly incomes. In terms of providing a monthly income replacement, it was closer to Plan Jefes. [↑](#footnote-ref-24)
25. The value of the benefit in November 2009 when the dollar exchange was US$1:3.8 pesos. [↑](#footnote-ref-25)
26. *Página/12* 7/9/2010, ‘La Asignación por Hijo gana consenso’. By David Cufré. [↑](#footnote-ref-26)
27. Speech given on November 9th 2009. Available online <http://www.casarosada.gov.ar/discursos>

    Accessed October 2014. [↑](#footnote-ref-27)