



**CENTRO DE ESTUDIOS DE ESTADO Y SOCIEDAD**

**“Social Policy Decision-Making in  
Argentina during the 2002-2003  
emergency: A Case Study of the Plan  
‘Jefes de Hogar’  
(Heads of household program)”**

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# Argentina during the '90

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- Neoliberal policy
- Implementation of the “Washington Consensus”
- Privatization of public services
- Convertibility plan, 1 peso = 1 US dollar
- Growth of unemployment
- Growth of poverty
- A regressive income distribution
- Dispersed social assistance programs, more than 60 in different areas directed to common objectives

# Argentina 2001

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- Deep economic, social and political crisis
- Four years of recession, serious financial and fiscal difficulties
- Efforts to protect the banking system from widespread withdrawal of deposits “corralito”
- High levels of unemployment, 18,3 % in October 2001
- Poverty rate increase, 38,3 % in October 2001
- Destruction of economy, no more support from IMF, WB, IADB

# Argentina 2001

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- December 2001, President de la Rúa resignation after the “cacerolazo” social movement (pot-banging)
- 34 persons killed in demonstrations in main cities of the country
- After 11 days and 4 presidents, January 1st 2002, Duhalde is elected president by the Legislative Asambly until December 2003

# Argentina 2002

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## Priorities of the transitional government

Addressing to the Asamblea Legislativa after being elected Duhalde posed priorities of the government to assure governability

- Strengthening Democracy
- Building consensus
- Emergency plan addressing to social problems: employment, health and food

# Argentina 2002

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- Devaluation in January 2002, 3 pesos = 1 dollar
- Raise of tax on primary exports up to 20 % in order to get funding for social programs

## **After devaluation the social situation**

- Families with no income or cash
- Raise of unemployment rate up to 21,5 % in May 2002
- Raise of poverty rate up to 53 % in May 2002
- Increasing prices, risk of a new hiper inflation
- Good change rate to export agricultural products
- First results of Government anti poverty efforts to improve the access of the poor to basic services: food, nutrition, health, employment

## **Programa jefes de hogar (Heads of household program)**

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- ✓ **Government first massive answer to social needs**
- ✓ Launched by January 2002 to alleviate the impact of rising unemployment due to the worsening economic crisis
- ✓ Stipend of 150 pesos (50 US dollars) per month is provided to an unemployed head of household in exchange for participation in 4 hours of work per day in a work project, plus control of health and education for children under 18 years
- ✓ Implementing agency Ministry of Labor, Employment, and Social Security
- ✓ No international support or banks involve in this process

## Programa jefes de hogar (Heads of household program)

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- ✓ Country coverage
- ✓ 1.8 million beneficiaries with children under 18 years, more than 60 % women
- ✓ Monthly payments to the beneficiaries through the banking system since February 2002
- ✓ The involvement of non-governmental organizations and grass roots participation
- ✓ Improvement of income distribution as a first result of the plan

# Mesa del Diálogo Argentino

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## Policy decision making:

Mesa de Diálogo Argentino (Social Dialogue)  
Government, Catholic Church, UNDP

## Other actors involved in this process

- ✓ New social movements “piqueteros”
- ✓ Trade unions
- ✓ Rural Society
- ✓ Banks

**Call to a social consultation process to all social actors in order to get proposals to overcome crisis**

# Policy proposals

✓ **Key nongovernmental actors involved in defining social policy. Example: Traditional Rural Society wants to become a policy marker.**

Según recuerda un alto funcionario de la Presidencia de la Nación, “Ellos hicieron una propuesta según la cual si nosotros nos comprometíamos a no aumentar ningún impuesto, cuando digo ningún impuesto digo ni retenciones ni impuesto inmobiliario ni siquiera un impuesto a los caminos, ellos proponían donar algo así como el 5% de la cosecha de soja pero además proponían que ellos administraban la política social, que lo iban a hacer a través de las ONG’s, iban a sacar al gobierno del medio”.

✓ **Some proposals from this social dialogue were taken others no**

# Conclusion

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- ✓ As a result of this social dialogue some aspects of the Heads of household program were redesigned
- ✓ Problems with participatory policy process
- ✓ Policy makers capacity
- ✓ Technical staff capacity
- ✓ Business lobbies interests
- ✓ Negotiation between actors
- ✓ Viewpoints of all groups involved, better policy and programs?
- ✓ Growing economy