Abstract

In Argentina, the years following the 2001-2002 economic crisis had been characterized by the growing importance of State intervention on market and welfare production. This essay looks into the reciprocal relationship between social policy reforms, promoted by the Argentine government, and the evolution of the main socio-economic indicators. It is true that, since 2003, economic and employment growth has extended the coverage of traditional social security institutions. Nevertheless, many social sectors were still excluded from those because they could not gain access to formal labor markets. To solve the evident inadequacy of the contributory system, the government implemented a series of non-contributory social policies, of which the most renowned is the Universal Child Allowance, and loosened the eligibility criteria for pensions in order to extend its coverage of the elderly population. An intended effect of these policies was to provide a big stimulus to economic growth, caused by increasing the effective demand of the most vulnerable sectors of society. However, though these measures have improved the coverage of social policy, the Argentine context of high inflation affects the real amount of social transfers, threatening the goal of satisfying the basic social needs of the most vulnerable households. Therefore, this paper discusses this problem by estimating the purchase power of Argentine social policy transfers. The results of the analysis make a contribution to the ongoing debate on the limits and potentialities of social policies in that country.

Keywords

Argentina, social policy, inflation.