

Policy Brief

August 2020

COVID-19 and the labour market in Argentina¹

The challenge of fighting the pandemic and its socio-economic impact at a time of severe difficulty

Key points

- ▶ The Argentinian employment outlook was already dire before the onset of the pandemic. The crisis is going to further affect employment outlook via private consumption, investment and trade, as well as exacerbating poverty and inequality.
- ▶ Most affected groups are those in operational or unskilled occupations. Both ends of the age spectrum (adults over 60 years of age and the young), plus migrant workers will be more affected.
- ▶ Self-employment and small and medium enterprises are more likely to be affected, as well as non-registered wage workers.
- ▶ Overcoming these significant issues will be challenging, also compounded by the macroeconomic fragility of the country.
- ▶ The country has advanced on its debt renegotiations, and has enacted or strengthened measures that conform a comprehensive package for employment preservation and eventual rekindling, in line with the four pillars recommended by the ILO.
- ▶ However, the current fiscal space is limited with few chances of it to be expanded, indicating the need of strong monitoring of policy impacts, for eventual expenditure reorientations and even calling for international relief programs.

► 1. Introduction

The health crisis caused by COVID-19 hit Argentina at a time of economic and social fragility. Although it is certain that the economic and social damage will be considerable,

predicting the impact of the crisis in its multiple dimensions is a complex undertaking.

¹ The policy brief was prepared by Christoph Ernst and Elva López Mourelo from the ILO Argentina Country Office, as well as Michela Pizzicannella, Sofía Rojo and Carlos Romero, together with the support of the ILO Employment, Labour Market and Youth Branch (EMPLAB) in Geneva. The authors thank the comments from Maribel Batista, Janine Berg, Fabio Bertranou, Juan Chacaltana, Valeria Esquivel, Joaquín Etoarena and Mauricio Dierckxsens; as well as the valuable inputs from Pablo Dragún, Laura Giménez and Pilar Toyos from the Industrial Union of Argentina; and from Gerardo Martínez, Marta Pujadas and the team from the International Relations Secretariat of UOCRA-CGT.

Job-generating sectors such as commerce, tourism, hotels, catering, transport, domestic work and cultural activities will be among the hardest hit. Workers in these areas, in particular those who are self-employed or who work in smaller enterprises, will be especially vulnerable to this crisis. In contrast, workers in activities designated essential will have greater job security, but they will be exposed to significant risks not only of infection but also of a psychosocial nature due to high levels of stress and pressure.

Currently, the Argentinean Government is implementing a comprehensive strategy in response to the COVID-19 pandemic. Its aim is to safeguard public health and buy time to strengthen the national health care system. Under the preventive and mandatory lockdown ([Decree 297/2020](#)) established by the Government on 20 March 2020, all individuals are required to remain in their usual residences and to ensure that any journeys are essential and kept to a minimum. With some loosening, the

lockdown has been extended until the time of writing (end of August 2020). In addition, Argentina's federal structure allows provincial and local authorities to request exceptions to the lockdown in accordance with a series of requirements and strict observance of the corresponding health protocols.

This document describes the economic and employment situation in Argentina in relation to the COVID-19 crisis. It considers the likely impact of the crisis on employment in sectoral terms; its effects on micro, small and medium-sized enterprises; the impact that it will have on the quality of employment; and its consequences for workers in situations of particular vulnerability. The document also summarizes the Argentinean Government's policy responses and provides recommendations on how and to what extent the country can provide additional support to its labour market, both at present and in the short and medium terms.

► 2. Socio-economic impact of the COVID-19 crisis

Argentina was already in a fragile socio-economic situation before the COVID-19 crisis hit. According to the National Institute of Statistics and Censuses (INDEC), economic activity fell by 10.3 per cent ([INDEC](#)) in May, while annual inflation reached 42.8 per cent in June ([INDEC](#)). Despite a recent successful sovereign debt renegotiation, the high debt level is still a burden to the country.

Although the uncertainty surrounding the evolution of the virus makes forecasts difficult, initial estimates suggest that Argentina's economic recession will deepen. Both the Ministry of the Economy and the Economic Commission for Latin America and the Caribbean (ECLAC) expect gross domestic product (GDP) to fall by 6.5 per cent in 2020, while, according to the International Monetary Fund (IMF) and J.P. Morgan, that figure will be close to 10 per cent ([Donato, 2020](#)).

The different forecasts all point to a sharp downturn due to the global and national effects of the pandemic. The shutdown will reduce aggregate supply, while demand will be affected by higher unemployment, lower incomes and growing uncertainty. Some activities that by nature involve physical proximity and contact will not see a return to previous levels of demand until a vaccine is available or

the risk of infection is very low. Furthermore, investment will be affected by financial volatility and an uncertain economic outlook.

Specifically, the economic crisis associated with the COVID-19 pandemic will affect Argentina through several channels of transmission:

- **Foreign trade:** In 2018, Argentina had a trade openness ratio of around 30 per cent ([UNCTAD, 2020](#)), with the emphasis on agricultural exports and low economic complexity ([Dragún et al., 2019](#)). Accordingly, relatively speaking, the impact of the decline in foreign trade will be lower than in other countries of the region, although the concentration of exports in agricultural commodities and manufactured products of agricultural origin – 63.8 per cent of the total – leaves the country vulnerable to a drop in prices, especially of soya, wheat and maize ([United Nations Argentina, 2020](#)). Furthermore, two-thirds of exports go to trading partners that are severely affected by COVID-19, such as Brazil, the European Union, China and the Asian countries, the United States of America and Chile ([Dragún et al., 2019](#)).
- **Private consumption:** Private consumption will be significantly affected by social distancing measures. The

impact on supply and demand comes on top of a financial jolt as liquidity problems associated with plummeting consumption emerge, putting enterprises (especially micro, small and medium-sized enterprises) at risk.

- **Investment:** Fear of an economic downturn and a lack of financing will put a brake on investments, except in industries that are key to tackling the outbreak, such as food, pharmaceuticals and medical equipment. Global volatility and uncertainty, coupled with macroeconomic volatility, will result in strong capital outflows. Although there are exchange controls, the informal exchange rate continues to rise, putting upward pressure on foreign exchange markets and weakening the peso savings market.

The recent successful renegotiation of sovereign debt, at the beginning of August, is certainly a positive sign within the framework of bad and declining macroeconomic variables. Still, debt servicing is still high seriously limiting the fiscal space for implementing recovery measures and further paralyses the economy.

Putting a brake on economic activities has a significant impact on labour income, which determines disposable household income in Argentina. Consequently, it is expected that the pandemic will have a significant impact on poverty and inequality ([Bonavida Foschiatti and Gasparini, 2020](#)), notably:

- an increase in the **poverty** rate from 35.6 per cent of the population to 39.6 per cent (if income support measures are taken into account) or 40.2 per cent (without social transfers);
- an increase in the **extreme poverty** rate from 7.7 per cent to 9.7 per cent (taking social transfers into account) or 10.8 per cent (without social transfers); and
- an increase in labour income **inequality** from 22.9 per cent to 32.5 per cent.

At the social level, consideration should also be given to aspects of exclusion related to:

- **Health:** Argentina's public health care system, although universal, has structural flaws, such as high levels of fragmentation, disparities in capacity and inadequate care. In all, 21 per cent of Argentine households do not have health coverage and 19 per cent cannot afford medicines ([United Nations Argentina, 2020](#)).
- **Food security:** In 2019, 7.4 per cent of households were facing severe food insecurity ([ODSA, 2020](#)).
- **Education:** The closure of schools, although temporary, has reduced teaching time, increasing inequality in children's access to education ([United Nations Argentina, 2020](#)). Education is being provided online, and is in turn affected by the existing digital gaps: in 2019, for example, 13 per cent of households did not have access to an internet connection and 37 per cent did not have a computer for school work ([UNICEF, May 2020](#)).

► 3. Impact of COVID-19 on the labour market

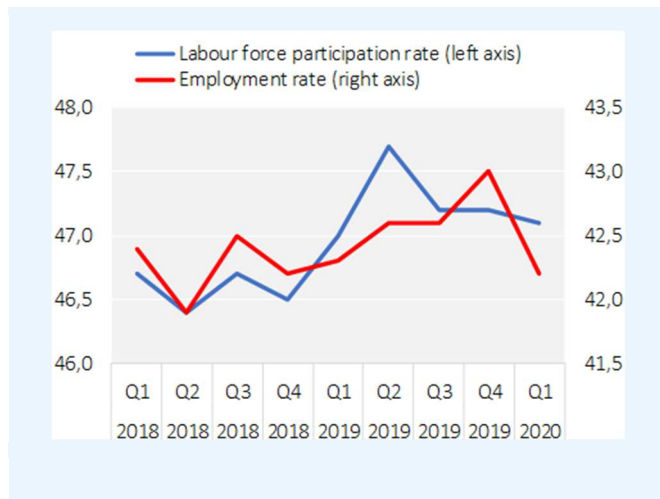
3.1 Overall analysis of the labour market

The economic turmoil caused by the COVID-19 pandemic further compounds the long-standing fragility of Argentina's labour market. The specific impact began to be felt in the first quarter of 2020. The **employment rate** stood at 42.2 per cent, 0.8 percentage points lower than at the end of 2019 (Figure 1, panel A). The **unemployment rate** rose to 10.4 per cent, up sharply from the previous quarter and with the highest growth among women, for

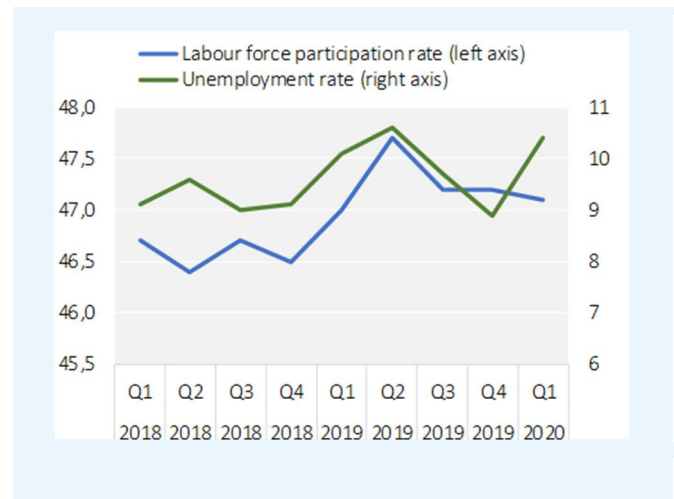
whom the figure reached 11.2 per cent (Figure 1, panel B). The number of **underemployed and employed persons** seeking employment reached 28.3 per cent (Figure 1, panel C). The lockdown measures taken in response to the pandemic highlight the importance of labour informality in Argentina's production system. At the beginning of 2020, the proportion of **non-registered workers** among total wage earners reached 35.8 per cent, with a higher incidence among women, who are therefore more vulnerable to the socio-economic effects of the crisis (Figure 1, panel D).

► **Figure 1. Labour market indicators in Argentina, 2018-20**

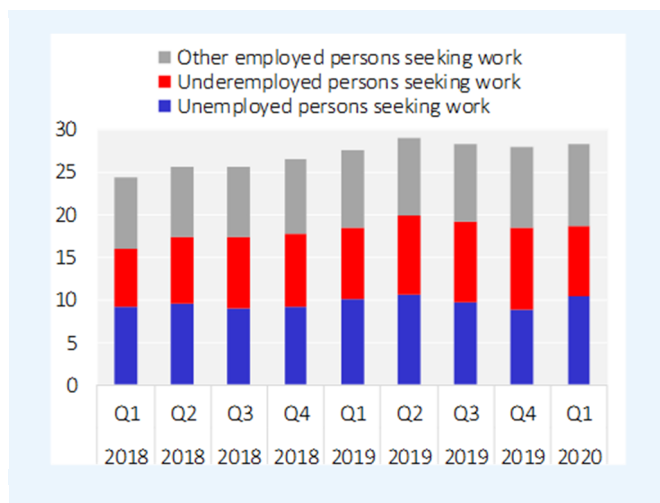
Panel A – Labour force participation and employment rate



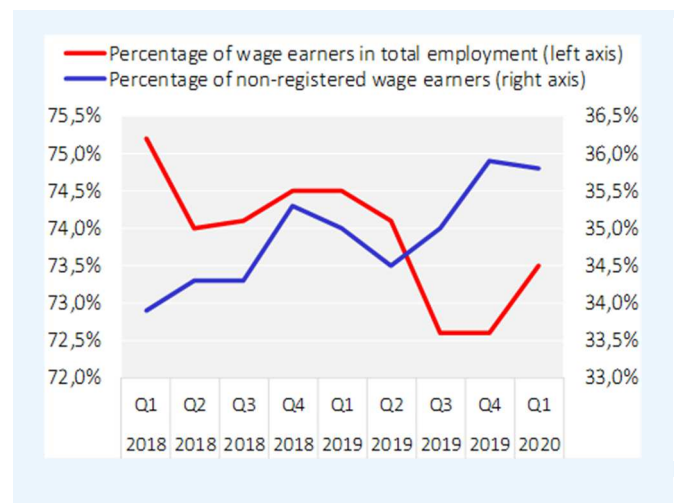
Panel B – Labour force participation and unemployment rate



Panel C – Labour market pressure



Panel D – Non-registered wage earners



Note: “Unemployed persons seeking work” are persons who are not working and who are looking for work; “Underemployed persons seeking work” are persons who are working fewer than 35 hours a week and who are looking for work; “Other employed persons seeking work” are persons who are working more than 35 hours a week and who are looking for work.

Source: Based on the Permanent Household Survey. INDEC.

Although data are not yet available for the entire labour force, those that are available show that the COVID-19 crisis has had a significant impact on **registered employment** in Argentina since the issuance of the decree on preventive and mandatory lockdown. Data from the Labour Indicators Survey conducted by the Ministry of Labour, Employment and Social Security (MTEySS) show a year-on-year drop of 3 per cent in private **registered employment** in enterprises with more than ten workers in the months of March and April 2020 (MTEySS, 2020). There has been an increase in the number of recorded lay-

offs resulting from the termination of fixed-term or probationary contracts, while the number of resignations has decreased significantly. In fact, the resignation rate fell by almost 18 percentage points between February and April 2020. In contrast, the proportion of dismissals among total separations remained constant, at around 11 per cent, in March and April (Figure 2, panel A).

On the other hand, compared with previous months, there was a sharp increase in the **rate of suspensions**, which shot up to 7.5 suspensions per 100 workers. The grounds

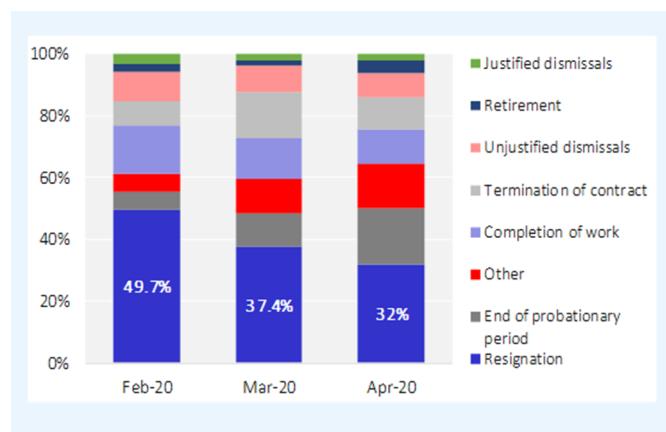
for these suspensions have also changed: in April, 70 per cent were due to “other reasons” (MTEySS, 2020), suggesting a strong correlation with the COVID-19 crisis.

The impact on employment is also evident in the trends in the number of **registered workers**, according to data from the Argentine integrated social security system

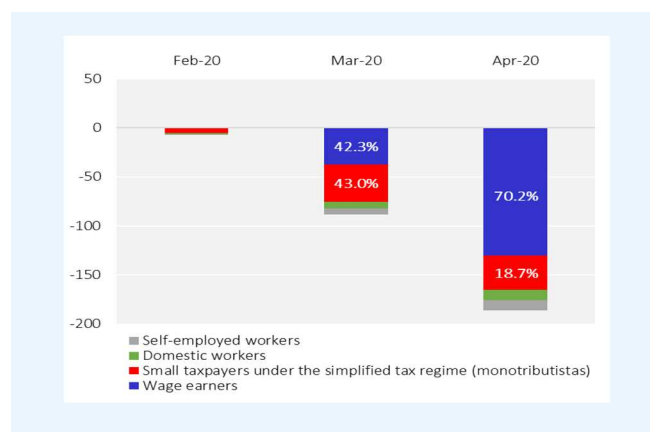
(SIPA). In April 2020, the number of registered workers fell by 274,300 (a 2.3 per cent decline compared with February 2020). Furthermore, it is clear that wage earners account for the largest percentage of contributor losses, representing 70.2 per cent of total separations (Figure 2, panel B).

► **Figure 2. Indicators of registered employment, February-April 2020**

Panel A – Reasons for separations from employment recorded in private enterprises with more than ten workers



Panel B – Monthly change in registered employment by occupational category



Note: Seasonal adjustment has been applied to the series contained in panel B. Source: Labour Indicators Survey (MTEySS, 2020) and SIPA data.

In this context, certain groups will be especially hard hit by the crisis:

- **Adults over 60 years of age** who, although declared to be at risk, need to continue to work for economic reasons – a need that is more acute for older women, because of the more precarious nature of their employment trajectories (ECLAC-ILO, 2018).
- **Young people** aged 14–29 years, among whom unemployment increased significantly in the first quarter of 2020, to 18 per cent. The figure rises to 23.9 per cent among young women, who are the group most immediately affected by the restrictions imposed in the context of the COVID-19 pandemic.
- **Migrant workers**, who are exposed to greater job insecurity than native workers. Informality is as high as 46 per cent among migrants, who in addition to being at risk of losing their jobs and having difficulties

accessing assistance measures, are unable to return to their places of origin because of the closure of borders.

3.2 Sectoral perspective

Impact of the lockdown measures on sectoral employment

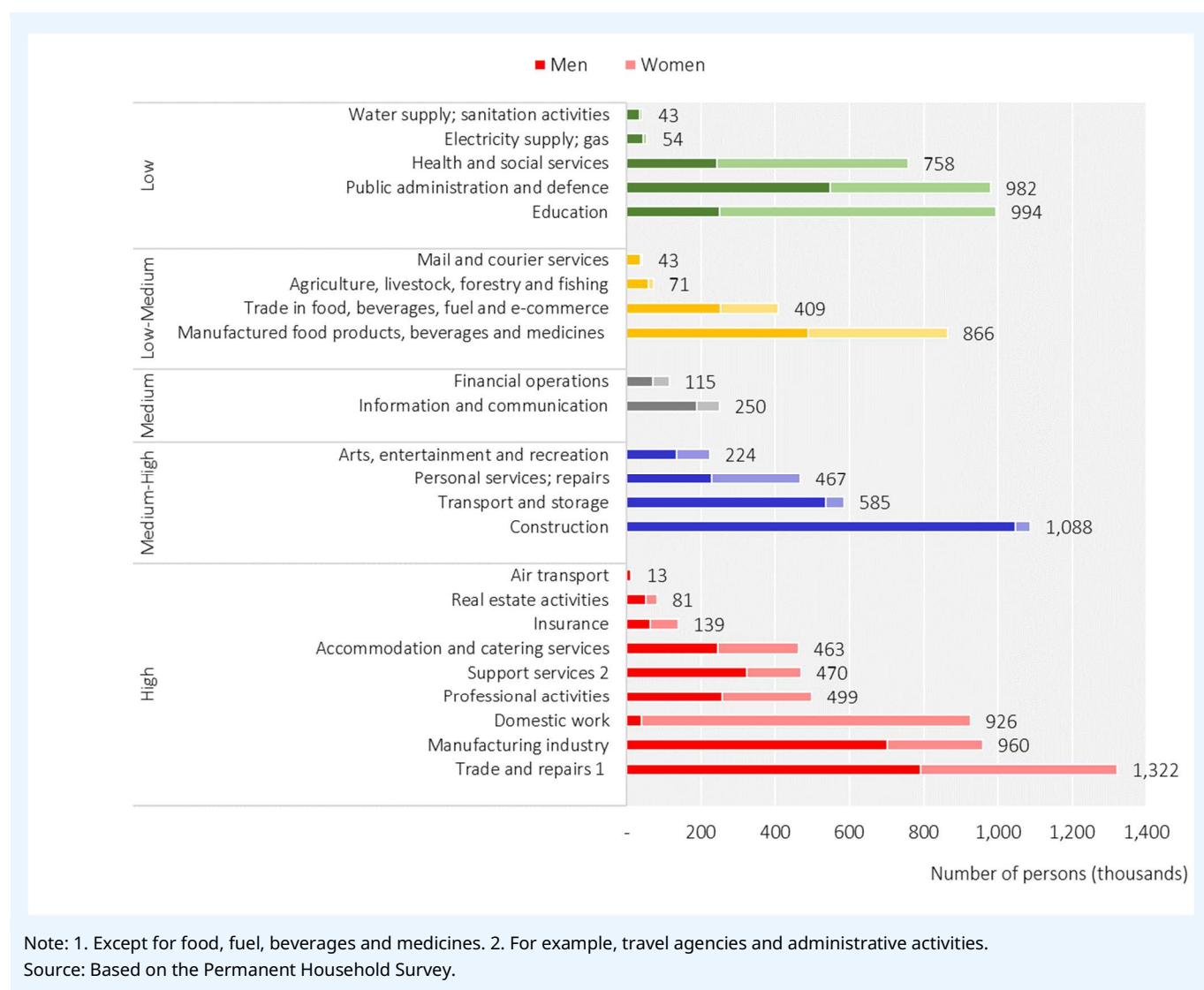
The standstill caused by the lockdown has affected all sectors, except for those considered a priority in the context of a health emergency. Initially, the following activities were defined as essential: provision of health care, security, and care and support services; value chains for the production of food and beverages, medicines, medical equipment and fuel; and sanitation activities and the production of different forms of energy.² Subsequently, the aluminium and steel industries, tanneries, construction sites, e-commerce and distribution and courier services were added to the list.

² Decrees 297/20, 325/20, 335/20, 355/20 and 459/20 and administrative decisions 427/20, 429/20, 450/20, 467/20, 468 / 20, 490/20 and 745/20, found [here](#).

In view of the global impact of the pandemic, the ILO proposes a classification of sectors into five categories which, with some adjustments, applies to the case of Argentina (ILO, 2020). The sectors most affected by the crisis (high and medium-high risk) are those not exempt from the lockdown and those most vulnerable to changes

in the economic cycle. These sectors account for 60 per cent of total employment, which gives an indication of the severity of the crisis for the world of work. In addition, these sectors are strongly dominated by females: they provide work for 46 per cent of the total number of employed women in the country (Figure 3).

► **Figure 3. Total sectoral employment by degree of vulnerability to the COVID-19 crisis: men and women, in thousands. 2019 average**



In **commerce**, out of the sector’s 2 million workers in 2019 (41 per cent of whom were women), 1.2 million were working in businesses heavily affected by the lockdown measures. In March, retail sales fell by 57.6 per cent compared with the same period in 2019 (CAME, 2020). Although sectoral agreements were reached, these covered only wage earners in formal employment, in a sector with high levels of informality. With many brick-

and-mortar shops being forced to close, e-commerce is a growth opportunity for courier work organized via digital platforms (by enterprises such as Rappi, Glovo and PedidosYa). This has highlighted the conditions in the sector, in which workers are exposed to the risk of infection, while working under systems such as the simplified regime for small taxpayers (known as the *monotributo* regime), which provides no coverage for

occupational disease and no sick leave ([López Mourelo, 2020](#)).

In **manufacturing**, which accounts for 1.2 million jobs, only 25 per cent of which are occupied by women, there is a differential impact by branch of activity. The production of goods considered essential accounts for 368,000 jobs. Other manufacturing, which generates almost three times as many jobs, is facing serious disruptions in production and sales. In a survey of more than 1,300 manufacturing enterprises conducted in April by the Argentine Industrial Union (UIA), 56 per cent reported that they had stopped production and 63 per cent had seen a fall in sales of more than 60 per cent ([CEU-UIA, 2020](#)).

Construction employed 1 million workers in 2019, 40 per cent of whom were self-employed and another 40 per cent worked in micro-enterprises. This sector has been hard hit by the emergency health measures: a survey by the Argentine Chamber of Construction reveals that 72 per cent of enterprises suffered a drop in turnover of more than 40 per cent compared with 2019 ([Marketing & Estadística, 2020](#)).

The **hotels, catering and travel agency** sector, which in 2019 provided jobs for 420,000 workers with a high representation of women (47 per cent), is possibly the sector most affected by the crisis and the one that will take the longest to recover. It comprises a vast number of small enterprises and independent and informal workers, who receive no financial support to help them to cope with such a long period without income ([Mundo Gremial, 2020](#)). In response to the crisis, food-related activities started to make use of delivery systems, while the hotel sector entered into agreements to accommodate travellers who are required to undergo quarantine and adjusted their way of operating to serve as “hotel-hospitals” to accommodate patients with conditions that are not serious but that require them to remain in isolation ([Infobae, 2020](#)).

The agrifood chain, which is a key sector in Argentina's economy, has not ceased its activities in the current circumstances ([Lema, 2020](#)). The impact on the primary sector depends in particular on the degree to which labour is used. Thus, activities that are labour-intensive – such as the processing, distribution and marketing of meat ([Martínez, 2020](#)) – and those that use seasonal labour, such as the fruit and vegetable sectors, are likely to feel the impact, as the mobility of workers from different regions of the country and neighbouring countries will be restricted.

Impact on workers exposed to health risks

The current pandemic puts the spotlight on the state of the health care system and the conditions of its workers, who account for about 6 per cent of employment in the country and 12.5 per cent of key workers (Permanent Household Survey, INDEC, 2019). The health sector's workforce is 70 per cent women (9.8 per cent of total employed women), whose conditions are unequal in terms of income, job quality and exposure to infection. Overall, women are especially overrepresented in technical occupations – such as nurses or midwives – and they also have a higher percentage of informality, at 20.4 per cent compared with 14.7 per cent of men. This segmentation puts women at a strong disadvantage in this sector in relation to their male colleagues ([East, Laurence, López Mourelo and Martelotte, 2020](#)).

Women are also predominant in care work. About 25 per cent of domestic workers perform care work, which, as is the case for older and sick adults, makes them highly vulnerable to the virus. The high incidence of labour informality among this group of workers means that the risk of infection is compounded by a total lack of health and labour protection: only 16.2 per cent of informal domestic workers have access to any form of sick leave and 9.4 per cent have social security coverage. It is also important to mention the excessive hours that they are having to take on in the context of this crisis, in addition to the care duties they perform in their own homes ([López Mourelo, 2020](#)).

Among the workers on the COVID-19 front line are those in the emergency and security services (firefighters, security forces and armed forces), public works, transport and treatment of waste, and water and energy services. Most of these workers continue to work in the public space, which exposes them to a high risk of infection, compounded by inadequate protective equipment and excessive hours due to the complexity of managing the current crisis. This can lead to increased stress and psychological distress.

Sectoral impact of the crisis on GDP and employment in 2020

Given the uncertainty regarding the duration of the COVID-19 health emergency, and the fact that official statistics are not yet available, it is difficult to estimate its effects on GDP and employment. As this crisis has a greater impact on labour-intensive sectors, it can be expected that the impact on employment will be greater than in other crises.

An estimation exercise that applies a hypothetical extraction model based on the identification of key sectors and an analysis of their impact on the economy is presented below. Specifically, it is assumed that there will be initial contractions similar to those observed in 2009 for construction (–20 per cent) and manufacturing (–12 per cent), and more pronounced than those observed in 2009 for hotels and restaurants (–30 per cent) and social and community services (–20 per cent), with a 10 per cent contraction for domestic work. These initial shocks were calibrated so that the aggregate effect is a 10 per cent contraction of GDP, similar to that estimated by the IMF.

This simulation exercise shows that, as a result of the impact of COVID-19, employment will contract by 11.3 per cent in 2020, which means that more than 1.2 million

people will lose their jobs, in both the formal and the informal sectors. It should be noted, however, that this simulation exercise does not take into consideration the effects of public policies to support employment, which will partly mitigate the effects of the downturn (Table 1).

In addition to the extent of the contraction, the **type of sectors affected** is also significant. In terms of employment, hardest hit will be hotels and restaurants (–32 per cent), and construction and community services (–20 per cent). In manufacturing industry, the impact differs according to branch of activity. It is estimated that textiles, footwear and leather, minerals, metals and processed products and the automotive sector will be the most affected.

► **Table 1. Sectoral and aggregate impact on production and employment, 2020 (percentage)**

Sectors	Δ GDP	Δ Employment	Breakdown of change in employment	
			Women	Men
Agriculture, forestry and fishing	–8.6%	–8.4%	–0.7%	–7.7%
Oil and gas extraction, mining	–7.9%	–8.6%	–0.5%	–8.1%
Food and beverages	–4.3%	–4.3%	–1.3%	–3.1%
Textiles, footwear and leather	–25.7%	–25.7%	–14.8%	–11.0%
Wood, furniture, paper and cardboard	–17.4%	–21.9%	–4.5%	–17.5%
Oil, chemicals, rubber and plastic	–11.7%	–13.8%	–2.2%	–11.6%
Minerals, metals and processed products	–23.4%	–24.6%	–1.3%	–23.3%
Machinery and equipment	–24.0%	–22.7%	–5.7%	–17.0%
Automotive and transport equipment	–25.2%	–25.3%	–1.7%	–23.5%
Rest of manufacturing industry	–22.4%	–22.6%	–2.4%	–20.2%
Electricity, gas and water distribution	–8.3%	–7.0%	–0.9%	–6.1%
Construction	–20.3%	–20.3%	–0.5%	–19.8%
Retail and wholesale trade	–13.7%	–13.7%	–5.5%	–8.2%
Restaurants and hotels	–32.3%	–32.1%	–17.0%	–15.1%
Transport	–12.6%	–12.6%	–1.1%	–11.5%
Communications and financial intermediation	–5.0%	–5.0%	–2.1%	–2.9%
Business and real estate services	–8.3%	–8.3%	–3.0%	–5.2%
Public administration, education and health	–1.7%	–3.4%	–3.1%	–0.3%
Community services	–20.3%	–20.3%	–10.0%	–10.3%
Overall impact	–10.3%	–11.3%	–4.0%	–7.3%

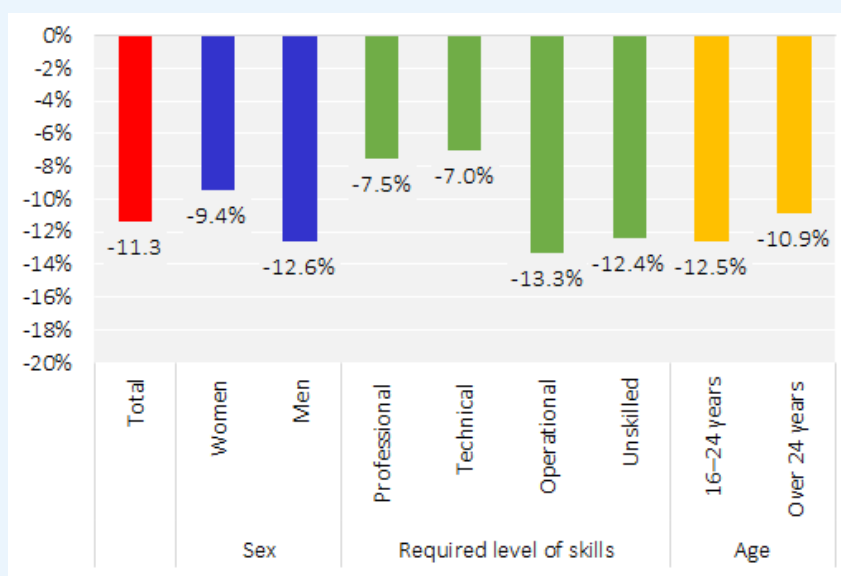
Note: The projected change in GDP as an overall impact includes direct impact (initial shocks, estimated on the basis of experience of previous recessions) and indirect impact resulting from production multipliers.

Source: Ernst, C. et al. (2020) COVID-19 y el Mercado de Trabajo en Argentina: El reto de luchar contra la pandemia y su impacto socioeconómico en un tiempo de desafíos económicos serios. ILO, Buenos Aires.

The impact also varies depending on workers' characteristics. It is estimated that job destruction will be greater for men (-12.6 per cent compared with -9.4 per cent for women), for young people (-12.5 per cent) and for workers with operational qualifications (-13.3 per cent). The lower impact on women's employment is mainly the result of their greater concentration in activities with fewer job losses in the context of crisis, such as education

services, public administration and health services (Figure 4). Nevertheless, given women's high representation in frontline jobs, such as in the health and care sector, along with the greater care burden, which has been exacerbated by school closures, women are being severely affected by the pandemic in Argentina, as witnessed around the world³.

► **Figure 4. Sectoral impact on employment by category of worker, 2020 (percentage)**



Source: Based on the input-output matrix and INDEC.

3.3 Business environment: The situation of micro, small and medium sized enterprises

The participation of micro, small and medium-sized enterprises – which by 2019 accounted for 61 per cent of private employment in Argentina – is higher in the sectors most affected by the pandemic. About 66 per cent of employment in sectors of high vulnerability (excluding

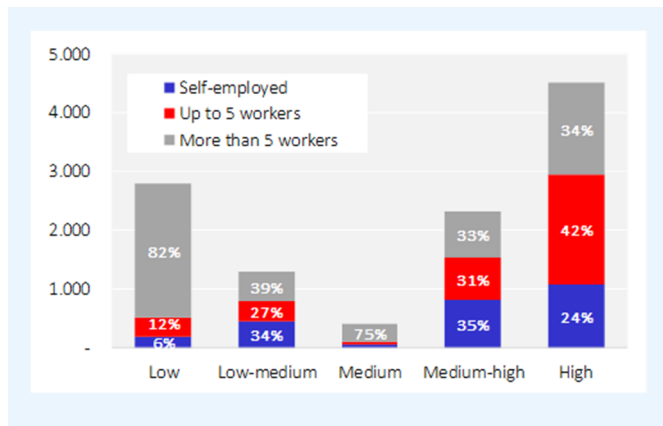
domestic work) involves self-employed workers or employees in establishments with up to five workers (Figure 5, panel A).

In the most vulnerable sectors, 40 per cent of employment is registered and formal wage labour, mainly in manufacturing, wholesale trade and hotels; in the sectors that are less at risk – public administration, health and education – the proportion of registered wage earners is higher (79 per cent) (Figure 5, panel B).

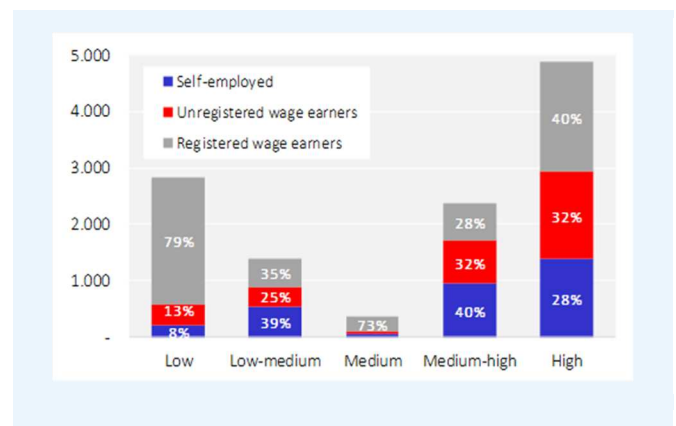
³ See, for example, ILO (2020) *A gender-responsive employment recovery: Building back fairer*. ILO Brief.

► **Figure 5. Employed workers by enterprise size, occupational category and degree of vulnerability to the COVID-19 crisis, 2019 average**

Panel A – Enterprise size



Panel B – Occupational category



Note: The classification of the sectors corresponds to that set out in Figure 3. Panel A does not include employment in public administration or domestic work.

Source: Based on the Permanent Household Survey.

Small-scale enterprises have a particularly vulnerable financial position and capital stock. At the end of April, about 18 per cent of such enterprises were fully operational, 57 per cent were partially operational and the remaining 25 per cent were not operating at all. Currently, while almost all medium-large sized enterprises are operational, the percentage of non-operational enterprises with nine or fewer employees has increased to 22 per cent (PyME, June 2020). In construction and manufacturing, it is taking longer to resume operations; 40 per cent of construction enterprises and 30 per cent of those in the industrial sector are still inactive, largely in the Buenos Aires Metropolitan Area. Financial and equity problems persist in these categories and the risk of closure is high (18 per cent of non-operational enterprises are in this situation).

A particularly vulnerable category is businesses and recently created enterprises: according to the Association of Entrepreneurs of Argentina (ASEA), more than a third of Argentina’s productive ventures could disappear in the coming months. In the current crisis, most service providers – generally small taxpayers under the simplified tax regime (*monotributistas*) without social protection mechanisms – have also experienced a reduction in their activity.

The impact of the current crisis on small and medium-sized enterprises will exacerbate the decline in the number of wage earners in favour of other categories, such as self-employed workers or *monotributistas*, with a higher degree of precariousness, lower wages and long working hours (INDEC, 2020).

► 4. Policy responses in Argentina

The measures implemented by the Government of Argentina to alleviate the impacts of the COVID-19 health crisis on the economy and employment are comprehensive (Figure 6). The fiscal cost of the measures

between April and June is equivalent to 5.6 per cent of GDP, a significant budgetary effort considering the country's macroeconomic situation (Corti, 2020⁴).

► **Figure 6. Summary of measures taken in response to the impact of COVID-19 on jobs in Argentina**



Measures were introduced to maintain a minimum level of consumer spending – such as setting price limits and subsidizing basic goods – and to stimulate employment

demand once the lockdown measures are eased, including through investment in public works.

⁴ Corti, M. (2020). *Inventario de políticas relacionadas a la Economía Verde en Argentina*. Buenos Aires: Faculty of Economic Sciences at the University of Buenos Aires

With regard to jobs, measures were put in place to help employers in Argentina through the Emergency Labour and Production Assistance Programme (ATP), which includes reductions in employers' contributions, subsidies for workers' wages and zero-rate loans for *monotributistas* and self-employed workers. Measures were also put in place for micro, small and medium-sized enterprises, such as credit at preferential rates and access to loans.

Significant social protection measures based on social transfers were also implemented, such as the emergency family income (IFE), a non-contributory monetary allowance with broad horizontal coverage that was granted to 8 million people, including among unemployed groups, informal workers, *monotributistas* in lower tax brackets and workers in private homes.

The International Trade Union Confederation (ITUC) has placed Argentina among the top 12 countries in the world for the protection of jobs and income in response to the pandemic (ITUC, 2020). At the same time, the Government has faced the difficulty of processing an unprecedented number of applications, highlighting the importance of having complete records. As a result, a significant number of people are still not receiving any income support. Added to the challenge of effective implementation is the need to extend this support over time and to meet medium- and long-term requirements.

On the other hand, the recommendation on flexible working arrangements – such as teleworking – has not been backed up by policies to adapt to this type of work. The expansion of teleworking has been pursued, in most cases, without addressing issues of occupational safety and health (OSH) and workers' rights. In this regard, a bill has been tabled to include the teleworking contract as a new working arrangement in the Employment Contracts Act.

In the case of provinces that have resumed activities on a larger scale, the Occupational Risks Inspectorate (SRT) faces the immense challenge of mapping and establishing prevention measures and specific protocols for each sector. In this regard, it is interesting to note that the Argentine Industrial Union (UIA) has worked on the development of sectoral protocols in conjunction with many of its partner chambers of commerce and the various government authorities involved.⁵

As this is a health crisis, the gaps in social insurance schemes, sick leave and coverage for occupational diseases merit special attention. In particular, the status of these rights for the self-employed and people in non-standard forms of employment demonstrates the need to adapt the system to reflect the inclusion of independent workers within the purview of Act No. 24557 on Occupational Risks.

Strengthening the gender perspective is crucial in the response to this crisis. Women are taking on an extraordinary burden of care within their family circles following the closure of schools and other care establishments. This situation may be incompatible with their paid employment as it is currently organized and that could become even more overwhelming with the return to activity.

The COVID-19 pandemic, with its far-reaching socio-economic consequences, requires tripartite social dialogue to design effective strategies and policies. The challenge is to ensure the representation of all sectors and interests, including *monotributistas* and workers in the informal, invisible and female-dominated sectors – such as domestic work and care work – and in weak bargaining positions, such as women, young people, migrants and people with special needs.

► 5. Final considerations

The COVID 19 crisis struck Argentina at a particularly difficult time, in macroeconomic terms. Overcoming these challenges is therefore essential for stimulating the economy and bringing the country out of the crisis. Fiscal space needs to be expanded as most of the stimulus

measures have a direct cost. Even though debt renegotiation was successful, public debt servicing is severely limiting the Government's room for manoeuvre. Refocusing priorities in the public budget and redistributing the tax burden away from the sections of

⁵ <https://www.uia.org.ar/general/3591/protocolos-de-actuacion-de-prevencion-y-seguridad/#protocolos-sectoriales>.

the population in the greatest need would be a considerable step forward. Furthermore, in the current context, another option to explore is Argentina's eligibility for several international emergency and rescue funds.

The current crisis has changed social and working habits: the increase in teleworking and e-commerce, as well as the promotion of local supply chains and online learning are examples of activities with growth potential. In terms of access to the benefits, the "digital divide" accentuates existing inequalities: while 60 per cent of the higher-income population can do their jobs remotely, the rate is less than 10 per cent for the lower-income population ([Albrieu, 2020](#)). The crisis also exacerbates the unequal access to labour rights and social protection that affects informal and self-employed workers and monotributistas.

Future policy priorities related to the COVID-19 pandemic could be geared towards:

- achieving innovative fiscal stimulus measures for the most affected sectors;
- occupational safety and health protocols tailored to each sector;
- addressing changes in working conditions through collective bargaining;
- adapting regulatory frameworks to new forms of work or production from a labour rights perspective in line with international standards; universal social protection and effective public health system coverage;
- differential support for workers and households to mitigate exclusion, poverty and social inequality;
- addressing the care needs and duties of families;
- establishing a sound institutional framework for social dialogue so that agreement can be reached on an economic and productive recovery strategy that is human-centred and based on social justice, through the establishment of forums such as the national Economic and Social Council; and
- international cooperation and financial support under conditions that do not hinder Argentina's present and future progress.

The COVID-19 crisis, complex though it is, also offers an opportunity for a shift towards a more productive, sustainable and inclusive economy that redresses the injustices and precarious conditions that exist in today's world of work

► Appendix 1. Measures in response to the labour impact of COVID-19 in Argentina

Measure	Description	Source
1. Stimulating economic activity and employment demand		
Public works in infrastructure, education, tourism and housing	A 40 per cent increase (100 billion Argentine pesos) in the budget for investment in public works for road works, economic infrastructure, construction and refurbishment of schools and tourism. Relaunch of the <i>Procrear</i> plan to boost the construction and housing refurbishment sector.	https://www.argentina.gob.ar/noticias/los-ministros-de-economia-y-de-desarrollo-productivo-anunciaron-un-paquete-de-medidas-para
Credit lines for the production of basic inputs	Launch of credit lines (350 billion pesos) at preferential interest rates for producers of foodstuffs, personal hygiene and cleaning items, medical supplies and technological equipment for teleworking. Funds (2.8 billion pesos) earmarked for financing infrastructure in industrial parks. Availability of funding instruments for the development of productive and technological solutions in the medical and health sector to tackle COVID-19.	https://www.argentina.gob.ar/noticias/los-ministros-de-economia-y-de-desarrollo-productivo-anunciaron-un-paquete-de-medidas-para Resolution 2020-132-APN-MDP of 31 March 2020
Encouraging spending through price limits and payment arrangements	Fixing a maximum price for two months for a set of foodstuffs, personal hygiene products, medicines and health supplies. Renewal for a further six months and extension to online purchases of the <i>Ahora 12</i> programme, under which consumers can pay on an instalment basis in up to 18 fixed, interest-free instalments. Elimination of import taxes for critical health supplies.	Resolution 117/20 of 17 April 2020 Resolution 333/20 of 1 April 2020
2. Supporting enterprises, jobs and incomes		
Economic support for micro, small and medium-sized enterprises	Provision of loans for the payment of salaries at a fixed rate of 24 per cent, for one year, with a three-month grace period. Strengthening of the Argentinean Guarantee Fund (FOGAR) (30 billion pesos) to facilitate access by micro, small and medium-sized enterprises to loans for the payment of salaries and employer subsidies and contributions.	Resolution 326/20 of 31 March 2020
Online assistance to small and medium-sized enterprises	Technological and online assistance to small and medium-sized enterprises for teleworking, provided by the Ministry of Productive Development, together with chambers of commerce and software companies.	
Emergency Labour and Production Assistance Programme (ATP)	Designed for employers whose main activity is included in the list of critical activities drawn up by the ATP evaluation committee (Committee minutes Nos 1 and 2, as amended by minutes No. 3), and whose nominal turnover declined in the period from 12 March to 12 April 2020, by comparison with that over the same period in 2019; or a significant number of whose employees have been infected with COVID-19 or have taken leave for reasons related to COVID-19.	Decree 332/20 of 1 April 2020 Decree 376/20 of 19 April 2020 Administrative decision 721/20 of 5 May 2020

Measure	Description	Source
	<p>The programme makes provision for one or more of the following benefits to be received until 30 June 2020, or 30 October 2020 for those activities that continue to be affected:</p> <ul style="list-style-type: none"> – Deferral of the payment or reduction by up to 95 per cent of employer contributions to the Argentine integrated social security system (SIPA). Since the adoption of administrative decision 721/20, the reduction only applies to activities related to tourism, culture and health. – Compensatory salary allowance of 50 per cent of the net salary for February 2020, measuring up to twice the adjustable minimum living wage. – Zero-interest loans for small taxpayers under the simplified tax regime (<i>monotributistas</i>) and self-employed workers. 	
Increased benefits under the comprehensive unemployment benefit system	<p>Increase in the levels of unemployment insurance benefits, to a minimum of 6,000 pesos and a maximum of 10,000 pesos.</p> <p>Extension until 31 May 2020 of the expiration of the benefits granted between 1 February and 30 April 2020.</p>	Resolution 2020-260-APN-MT of 27 March 2020
Prohibition of dismissals and suspensions	<p>Enactment of a prohibition on dismissals and suspensions for 60 days (until 31 May 2020), extended for a further 60 days (until 30 July 2020).</p> <p>Agreement reached by the Argentine Industrial Union (UIA) and the General Labour Confederation (CGT), setting out guidelines for suspensions with a 25 per cent cut in salary.</p>	<p>Decree 270/2020 of 19 March 2020</p> <p>Decree 329/2020 of 31 March 2020</p> <p>Decree 487/2020 of 18 May 2020</p>
Support for essential activities	A 95 per cent reduction in SIPA wages and overtime rates for workers hired to perform essential services.	Resolution 2020-219-APN-MT of 20 March 2020
Special allocation for health and security staff	Allocation of a non-remunerative nature (5,000 pesos) paid to wage-earning health workers (from April to July, inclusive) and to security and defence staff (in April) employed in mandatory isolation activities. The allocation is contingent on the effective provision of services.	<p>Decree 315/2020 of 27 March 2020</p> <p>Decree 318/2020 of 28 March 2020</p>
Strengthening of social welfare plans and allocations	<p>Special one-off payment under the universal child benefit (AUH) and universal pregnancy benefit (AUE) systems equivalent to one month's benefit (3,103 pesos).</p> <p>Special one-off payment to pensioners in receipt of a lump-sum retirement benefit or minimum pension.</p> <p>Deferred repayment of instalments on loans from the National Social Security Administration (ANSES) for the months of April and May.</p> <p>Strengthening of the food card system to ensure access to the basic food basket for families with children up to the age of 6 who are in receipt of the AUH or the AUE.</p>	
Emergency family income (IFE)	Non-contributory cash benefit (10,000 pesos), paid on a one-off basis to Argentines or those who have been legally resident in the country for at least two years, aged between 18 and 65, who are unemployed, work in the informal economy, are registered as taxpayers in the lower brackets of the simplified tax regime, or are employed in private homes.	Decree 2020-310-APN-PTE of 23 March 2020
3. Protecting workers in the workplace		
Inclusion of COVID-19 as an occupational disease	Presumptive categorization of COVID-19 as an occupational disease for employees performing essential functions.	Decree 367/2020 of 13 April 2020

Measure	Description	Source
OSH recommendations for specific sectors	Approval by the Occupational Risks Inspectorate (SRT) of a series of special recommendations for special categories of workers in the performance of their duties and their travel to and from the workplace.	
Information on risk prevention measures in the workplace	Requirement for occupational risk insurers (ART) to provide the employers covered by them, free of charge, with a digital model of a poster describing COVID-19 prevention measures.	Resolution 2020-29-APN-SRT-MT of 21 March 2020
Promotion of teleworking	Authorization for all national public sector workers to work from home, except those providing essential services. Recommendation to private sector companies to adopt teleworking measures. Requirement that employers must inform the ART of the addresses at which the duties will be performed and their time frame, where these addresses are considered to be work environments for the purposes of the law on occupational risks.	Resolution 2020-207-APN-MT of 16 March 2020 Resolution 2020-21-APN-SRT-MT of 16 March 2020
Leave for workers exposed to the risk of infection	Granting of leave to all workers (regardless of their contractual status) who present symptoms associated with COVID-19, have medical confirmation of having contracted the virus, have been in close contact with an infected person or person with symptoms, or have arrived in the country within the previous 14 days after passing through affected areas.	Resolution 2020-178-APN-MT of 6 March 2020 Resolution 2020-184-APN-MT of 10 March 2020 Resolution 2020-202-APN-MT of 13 March 2020
Leave for workers with care responsibilities and those belonging to risk groups	Granting of leave to all public and private sector workers with children under school age, and also to pregnant workers, workers aged over 60 (except those providing essential services) and workers belonging to risk groups.	Resolution 2020-207-APN-MT of 16 March 2020
4. Relying on social dialogue for solutions		
Setting up a tripartite committee for the gradual relaxation of lockdown	Meeting between the head of the Cabinet and representatives of the UIA, the Argentine Chamber of Commerce and Services (CAC) and the CGT, to plan the gradual relaxation of lockdown, highlighting the importance of agreeing on priority sectors and the conditions for doing so in an orderly manner.	
Bipartisan agreement on suspensions with salary cuts	Representatives of the UIA and CGT signed an agreement on the suspension of workers who are unable to perform their services. This includes the payment of a non-remunerative benefit equivalent to 75 per cent of the worker's net income, with a guarantee that the job will be maintained during the period of suspension.	

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