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**Employment policy implementation
mechanisms in Argentina**

Fabio Bertranou

Employment
and Labour
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Branch

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Preface

The primary goal of the ILO is to contribute, with member States, to achieve full and productive employment and decent work for all, including women and young people, a goal embedded in the ILO Declaration 2008 on Social Justice for a Fair Globalization,¹ and which has now been widely adopted by the international community.

The comprehensive and integrated perspective to achieve this goal are embedded in the Employment Policy Convention, 1964 (No. 122), in the Global Employment Agenda (2003) and, in response to the 2008 global economic crisis, in the Global Jobs Pact (2009) and in the Conclusions of the recurrent discussion on Employment (2010).

The Employment Policy Department (EMPLOYMENT) is fully engaged in global advocacy and in supporting countries placing more and better jobs at the centre of economic and social policies and of inclusive growth and development strategies.

Policy research, knowledge generation and dissemination is an essential component of the Employment Policy Department's action. The publications include books, monographs, working papers, country policy reviews and policy briefs.²

The *Employment Policy Working Papers* series is designed to disseminate the main findings of research initiatives on a broad range of topics undertaken by the various branches, units and teams in the Department. The working papers are intended to encourage exchange of ideas and to stimulate debate. The views expressed are the responsibility of the author(s) and do not necessarily represent those of the ILO.

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¹ See http://www.ilo.org/public/english/bureau/dgo/download/dg_announce_en.pdf

² See <http://www.ilo.org/employment>.

Foreword

Job creation is a priority for all countries. Yet satisfactory job creation is an uphill battle because today's economic environment and policy circumstances are not necessarily aiding this collective effort. Employment challenges have been mounting, but policymakers are faced with limited, and even reduced, fiscal resources. It means that policy interventions for job creation need to be highly effective.

The ILO assists member states to formulate national employment policies (NEPs) as established in the Employment Policy Convention, 1964 (No.122). For the years 2012-2013 alone, 73 requests for technical assistance by countries seeking advice on and support for the formulation of their national employment policies have been received. This is why the Employment Policy Department is developing a series of tools that will guide and support ILO constituents in prioritizing policies based on informed choices and consultations.

As an independent evaluation in 2012 of the ILO's work on employment policy has pointed out, such NEPs, however well-formulated and well-designed, can remain as abstract entities unless the necessary institutional arrangements are put in place to ensure their timely and effective implementation. This needs to be complemented by coordination, monitoring and evaluation mechanisms to adapt them to changing economic circumstances.

In the light of these concerns, the ILO, with support from technical cooperation funds secured under the ILO-Korean Government Partnership Programme launched a cross-country project entitled "Comparative analysis of employment policy implementation mechanisms across countries" in the first quarter of 2013. The following countries and region are covered by the project: Argentina, Bosnia and Herzegovina, Burkina Faso, Brazil, China, Republic of Korea, South Africa and the European Union (EU) including two of its member states, the United Kingdom and Germany.

This paper identifies and assesses the mechanisms used to formulate and to implement employment policy in Argentina. Specifically, it investigates the range of factors that have had a direct or indirect effect on determining the institutional organization surrounding such employment policy mechanisms, as well as the context in which they have been developed. It also reviews the structure of employment policy and how it functions, and the main challenges to its consolidation as a component of a development strategy. The following factors are identified and described: a) mechanisms for tripartite coordination and coordination across jurisdictions and sectors; b) pillars essential to supporting employment policy, such as inspection, vocational education and training, and public employment services, as well as information, management and assessment systems; and c) accountability mechanisms.

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The working paper was prepared as part of a project that was managed by Yadong Wang under the overall guidance of Azita Berar Awad and Iyanatul Islam.

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Spanish and English names of important agencies, institutions, and programmes

Administración Federal de Impuestos: Federal Tax Administration Agency

Auditoría General de la Nación: Federal Audit Agency

Administración Nacional de la Seguridad Social: National Social Security Administration

Ciudad Autónoma de Buenos Aires: City of Buenos Aires, which is an autonomous federal district

Consejo Federal del Trabajo: Federal Labor Council

Comisión Nacional para la Erradicación del Trabajo Infantil: Nationwide Commission for the Elimination of Child Labor

Comisiones Provinciales para la Erradicación del Trabajo Infantil: Provincial Commissions for the Elimination of Child Labor

Comisión para el Trabajo con Igualdad de Oportunidades del MTEySS: Ministry of Labor's Employment and Social Security Equal Opportunity Commission

Encuesta de Indicadores Laborales: Employment Indicators Survey

Encuesta Nacional de Protección Social y Seguridad Social: Nationwide Survey on Social Protection and Social Security

Encuesta Permanente de Hogares: Permanent Household Survey

Red de Formación Continua: Vocational Education and Training Network

Gerencias de empleo y capacitación laboral: Agencies for Employment and Job Training

Programa Internacional para la Erradicación del Trabajo Infantil de la OIT: ILO's International Program on the Elimination of Child Labor

Ministerio de Trabajo, Empleo y Seguridad Social: Ministry of Labor, Employment and Social Security

Normas Internacionales del Trabajo: International Labor Standards

Oficinas Municipales de Empleo: Municipal Employment Offices

Oficina Nacional de Presupuesto: National Budget Office

Producto Interno Bruto: Gross Domestic Product

Plan Jefas y Jefes de Hogar Desocupados: Plan for Unemployed Heads of Households, a nationwide cash-transfer plan

Programa Jóvenes con Más y Mejor Trabajo: More and Better Employment for Youth, a nationwide youth employment program

Plan Nacional de Regularización del Trabajo: National Plan for Employment Regularization, a nationwide plan to enforce employment laws and eliminate informal employment

Procedimiento Preventivo de Crisis: Crisis Prevention Procedures

Programa de Recuperación Productiva: Program for Productive Recovery, a nationwide program to avoid private-sector layoffs and dismissals

Seguro de Capacitación y Empleo: Training and Employment Insurance, a nationwide program for unemployment benefits and training

Sistema Integral de Inspección del Trabajo y de la Seguridad Social: Comprehensive System for Workplace Inspection and Social Security, a nationwide program to ensure compliance with employment laws including fiscal contributions

Salario Mínimo Vital y Móvil: Vital and Mobile Minimum Wage

Red de Servicios Públicos de Empleo: Network of Public Employment Services

Superintendencia de Riesgos del Trabajo: National Workplace Risks Office

1 Introduction

Employment policy in Argentina tends to be considered in broad terms, encompassing employment and income policy as well as economic policies that affect labour supply and demand. As such, it involves a large number of institutions and social actors.³ In the last two decades, particularly after the major economic crisis that gripped the country in 2001, employment policy has grown more complex as a public policy priority.

This study sets out to identify and assess the mechanisms used to formulate and to implement employment policy. Specifically, it attempts to examine a range of factors including the context in which those mechanisms were developed, how they are structured and operate, as well as the main challenges facing the consolidation of employment policy as a component of a development strategy.

For a number of reasons, Argentina is a unique case. Compared to other Latin American countries, labour relations developed quickly in the mid-20th century. Nonetheless, a regulatory framework that could be called a “system” and institutionalization of labour policy did not truly take hold until after the return to democracy in the eighties.⁴ Another distinctive feature of Argentina is the high rate of worker participation in trade unions, which makes them key social actors in labour regulation and employment policy.

Similarly distinctive in the Argentine case is the major economic crisis experienced by the country in 2001. In the aftermath of that crisis, the labour market was beset by deep problems. While the deterioration in the labour market was relatively significant in the eighties and nineties, it was not until the 2001-2002 crisis that the unemployment rate, the rate of precarious employment, and the drop in income from work reached unprecedented levels. As a result, economic policies that attempted to respond to the crisis and foster recovery focused on re-establishing and broadening employment policy as a fundamental part of development strategy (Tomada, 2007). Recent years have witnessed numerous innovations in the mechanisms for coordinating and supporting employment policy mechanisms that merit further analysis. Indeed, the national government included issues related to the ILO’s mandate, such as decent work and employment performance, in the Millennium Development Goals it issued in 2003.

To grasp the institutional organization that determines the formulation and implementation of employment policy, it is important to bear in mind that Argentina is a federal country with three levels of government (national, provincial and municipal); made up of twenty-four administrative divisions: twenty-three provinces and the City of Buenos Aires. Each of these divisions has its own government and shares governmental responsibilities with the national (or federal) government. The level of decentralization is relatively high in terms of the provision of goods and public services. Elementary and secondary education, healthcare, police services, components of the justice system and others are delivered by the provincial governments. The decentralization of these areas

³ The ILO’s “Guide for the Formulation of National Employment Policies” defines employment policy as “a concerted and coherent vision of a country’s employment objectives and ways to achieve them” (ILO, 2012a).

⁴ In the 1940s and 1950s, when industrialization under an import substitution model was taking place in Argentina, protectionist policies and policies to bolster domestic demand were the cornerstones of a strategy focused on full employment of heads of households. It was in this framework that welfare policies were devised. Starting in the seventies, however, this model was gradually abandoned, rendering it necessary to adjust employment policy, or to create new policies, in order to address issues like growing unemployment and informal employment, as well as self-employment and non-registered wage employment.

began with the military government that seized power in 1976 and was furthered by the reforms enacted by the Government in the nineties.

Value added and income taxes, on the other hand, are collected by the Federal Government. While the provinces have the power to collect property tax and some sales-related taxes, most of their resources come from the national Government by means of a revenue sharing mechanism. Similarly, as will be discussed below, the provincial and municipal governments participate in different components of the provision and production of services connected to employment policy, for instance vocational training and employment services.

This study is divided into four sections. The first provides a summary of the economic and institutional context of the last two decades; it discusses vocational education and training trends in the development of labour institutions, as well as the stark contrast between the 1990s and the early 2000s. The second part describes the mechanisms for formulating and implementing employment policy. The third section inquires into some specific aspects of employment policy implementation of, aspects linked to its functioning and interaction with an array of existing institutions. Specifically, this section analyses the case of the Network of Public Employment Services and the Vocational Education and Training Network, as well as joint institutional and intergovernmental efforts to implement inspection mechanisms. The fourth and final section offers some conclusions, lessons learned, and future challenges for Argentina in this sphere.

2 Context for the development of employment policy from 1991 to 2012

As explained in the introduction, employment policy in Argentina encompasses labour and income policies, as well as measures that act directly on labour supply and demand. Labour and income policies include the regulatory framework of labour, institutional mechanisms for social dialogue, collective bargaining, conflict management, inspection of working conditions, as well as some aspects of social protection related to employment. Policies that act directly on labour supply and demand include measures that actively attempt to reduce unemployment, favour the creation of and access to more productive jobs, as well as measures that attempt to attenuate the immediate consequence of loss of employment (ILO, 2011).

In Argentina, the main actor in employment policy is the Ministry of Labour, Employment and Social Security, which acts at national level. The first law to explicitly charge the Ministry of Labour with fomenting employment and job training was the National Labour Act (Act No. 24,013), enacted in 1991. This law made the Ministry of Labour the supreme authority in employment policy, entrusting it with, among other things, the responsibility for devising overall employment policy as well as emergency measures for specific sectors and regions, implementing training programmes and create a network of employment services. This law also created unemployment insurance and established a fund for financing employment policy.

On this basis, it is possible to define two distinct periods in employment policy in Argentina: the period from 1991-2000 and the period from 2002-2012 (Figure 1). These two periods are separated by the economic crisis of 2001, which resulted in a major change in the country's macroeconomic framework and socio-occupational policies.

In the nineties, public policies were conceived in the framework of the prescriptions based on the so-called Washington Consensus. The economy at large, and the public sector in particular, underwent a process of structural adjustment in conjunction with a macroeconomic regime known as “convertibility” in which the local currency was pegged to the United States dollar. This period was also marked by growing foreign debt, widespread economic deregulation, greater employment flexibility, and the privatization of publically-owned companies that produced goods and provided services such as transportation and telecommunications. As a result, this period yielded low average growth rates and failed to generate employment; rates of informal and precarious employment increased, as did overall inequality. In this context, labour market policies only served to offset the structural adjustment in progress. On the basis of the National Labour Act, the national government took charge of devising and implementing an array of measures geared to fomenting employment among the unemployed. At the same time, a number of provincial governments also created their own employment programmes, many of them with specific focuses. Over the course of that decade, unemployment insurance, though limited in scope, was the programme for the protection of the unemployed that reached the largest number of beneficiaries (ILO, 2011).

Poor economic performance in the late nineties, along with a growing lack of fiscal sustainability (due to the high level of debt and greater macroeconomic vulnerability because of the deregulation of capital flows) led to the crisis that enveloped the nation in 2001. Following the resignation of the President, the new administration defaulted on the debt and devalued the currency, abandoning the “convertibility” framework described above. The Argentine economy entered a deep recession, with a dramatic fall in GDP and a subsequent worsening of socio-occupational indicators.

In 2002, when unemployment was over 20% and the poverty rate 50%, the transitional government enacted an extensive cash transfer programme called Plan for Unemployed Heads of Households (known as the “Plan Jefes”) to alleviate the social emergency of families with children and teenagers in which the head of household was unemployed. The coverage of this programme, unlike its predecessors, was wide: it reached over two million beneficiaries.

In 2003, after the change in the macroeconomic regime and incipient economic recovery, the Ministry of Labour enacted the Comprehensive Plan for More and Better Work, a battery of policies geared to promoting the entry into employment of unemployed workers. At the same time, the economy began to recover and generate jobs, which facilitated the transition of the unemployed in general and of employment-programme beneficiaries, in particular, into registered employment. This process of economic activation was supported by the formation of two pillars of employment policy: the Network of Public Employment Services and the Vocational Education and Training Network.

Figure 1 Economic and development context of employment policy: Two contrasting periods, before and after the 2001 crisis

1991-2000	2002-2012
• Overwhelming influence of the “Washington Consensus” in the development of public policies • Structural adjustment • Fixed currency exchange rate – pegged to the dollar – growing debt • Privatization • Deregulation • Growth with low rate of job creation • Increasingly flexible job market • Compensatory labour market policies • Growing rate of informal employment and inequality	• High real exchange rate • Improved economic competitiveness • Growth with high rate of job creation • Reversal of privatization and deregulation • Increase in formal employment • Growing role of labour institutions: collective bargaining, minimum wage, workplace inspection • Development of public employment services network • Drop in inequality • Substantial increase in the tax collection-GDP ratio

Source: own elaboration

Economic recovery was strong, and annual growth averaged almost 9% from 2003 to 2008; jobs were also created at a high rate. Some of the privatizations that had been enacted in the previous decade were reversed, and changes in regulations restored some employment protection legislation. The restoration of the mainstays of labour and labour institutions, collective bargaining, minimum wages, workplace inspection, became a priority. This process yielded a considerable recovery in real wages and a significant drop in informal labour and income inequality (Bertranou et al., 2013).

In 2009, the international crisis, along with domestic circumstances, including a drought that reduced agricultural production, had an impact on Argentina’s economy. The high rate of growth that had characterized previous years was curtailed. In 2010 and 2011, however, economic growth and job creation, albeit slightly later, returned to previous levels. Since 2012, there has been a slowdown in these two indicators due to domestic and international factors.

Box 1 International Labour Standards (ILS) in employment policy: The situation of Argentina

While Argentina has not ratified the Employment Policy Convention, 1964 (No. 122, one of the four priority governance agreements, it has ratified the eight Fundamental Conventions on ensuring human rights in the workplace, as well as the other three priority governance Conventions: the Labour Inspection Convention, 1947 (No. 81), the Labour Inspection (Agriculture) Convention, 1969 (No. 129, and the Tripartite Consultation (International Labour Standards) Convention, 1976 (No. 144) . Argentina has also ratified a number of technical conventions, including the Employment Service Convention, 1948, (No. 88), the Human Resources Development Convention, 1975 (No. 142), and the Collective Bargaining Convention, 1981 (No. 154) .

Note: The Fundamental Conventions are the Forced Labour Convention, 1930 (No. 29); the Freedom of Association and the Protection of the Right to Organize Convention, 1948 (No. 87) ; the Right to Organize and Collective Bargaining Convention, 1949 (No. 98) ; the Equal Remuneration Convention, 1951 (No. 100); the Abolition of Forced Labour Convention, 1957 (No. 105); the Discrimination (Employment and Occupation) Convention, 1958 (No. 111); the Minimum Age Convention, 1973 (No. 138); and the Worst Forms of Child Labour Convention, 1999 (No. C182)

Source: own elaboration.

Another important indicator of the change in priorities in employment policy following the economic crisis of the early 2000s is the inclusion of decent work as one of the Millennium Development Objectives adopted by the Argentine Government. Thus, in addition to the goals established in international conventions, Argentina has embraced as a goal the “promotion of decent work.” This decision was based on the notion that a just and inclusive society depends on ensuring decent employment for all its members.

To reflect this, the following performance indicators were established: a) unemployment rate; b) percentage of workers whose wage is less than the value of a market basket of consumer goods and services; c) percentage of the unemployed population in receipt of social protection; d) the rate of non-registered employment (that is, the proportion of wage workers not covered by a contract and, hence, not contributing to social security); and e) rate of child labour (five to fourteen years old). For these indicators, the following goals were established for 2015: a) reduce the unemployment rate to less than 10% for that year; b) reduce the rate of non-registered employment to 30%; c) increase social protection coverage to 60% of the unemployed population for 2015; d) reduce the proportion of workers whose wage is less than the value of a basket of consumer goods and services to less than 30%, and e) eradicate child labour.

3 Mechanisms for the formulation and implementation of employment policy in Argentina

The primary mechanisms for the definition and coordination of employment policy involve entities that form part of the national, provincial and municipal governments. There are also mechanisms in place for inter-jurisdictional coordination. Three types of mechanisms can be identified: coordination, accountability and support mechanisms.

3.1 Coordination mechanisms

Figure 1 summarizes the main employment policy coordination mechanisms in place in Argentina. Below is a description of the different levels of coordination, which are inter-jurisdictional, tripartite and/or sector specific, as well as of the specific entities under the auspices of which these coordination efforts are carried out.

3.1.1 *Federal Labour Council: Inter-jurisdictional governmental coordination between the Federal Government and the provinces*

Established in 1998 by the Federal Labour Agreement, the Federal Labour Council is an inter-jurisdictional coordinating body that includes both the national and provincial governments.⁵ It is formed by the Ministry of Labour and the labour departments of each of the provinces and of the City of Buenos Aires. Its many objectives include “strengthening labour departments in the interest of greater efficacy on the part of government and the social actors in various jurisdictions and areas” and “bolstering labour policies to increase the coordination, cooperation, co-participation and co-responsibility of labour departments in the interest of greater efficacy on the part of government and the social actors in various jurisdictions and areas.”

The Federal Labour Council’s functions include facilitating the connection with international organizations via the Ministry of Labour and acting as the central authority in workplace inspections in accordance with Conventions Nos. 81 and 129 of the International Labour Organization. It is also authorized “to participate in the design of programmes geared to increasing employment and job training, and to propose means of financing those programmes, in keeping with regional needs and avoiding both gaps and overlap with programmes operative in other areas” and “to perform or commission studies and research in the common interest, ensuring the regular exchange of the latest official documents, reports, statistics and publications between its members.”

The Federal Assembly, which includes a delegate of each provincial department, is the body that oversees the Federal Labour Council. The Federal Labour Council also has a permanent secretary, from the Ministry of Labour, Employment and Social Security’s Department of Labour, and an Executive Committee, whose members serve one-year terms. The Federal Assembly holds meetings at least once a quarter.

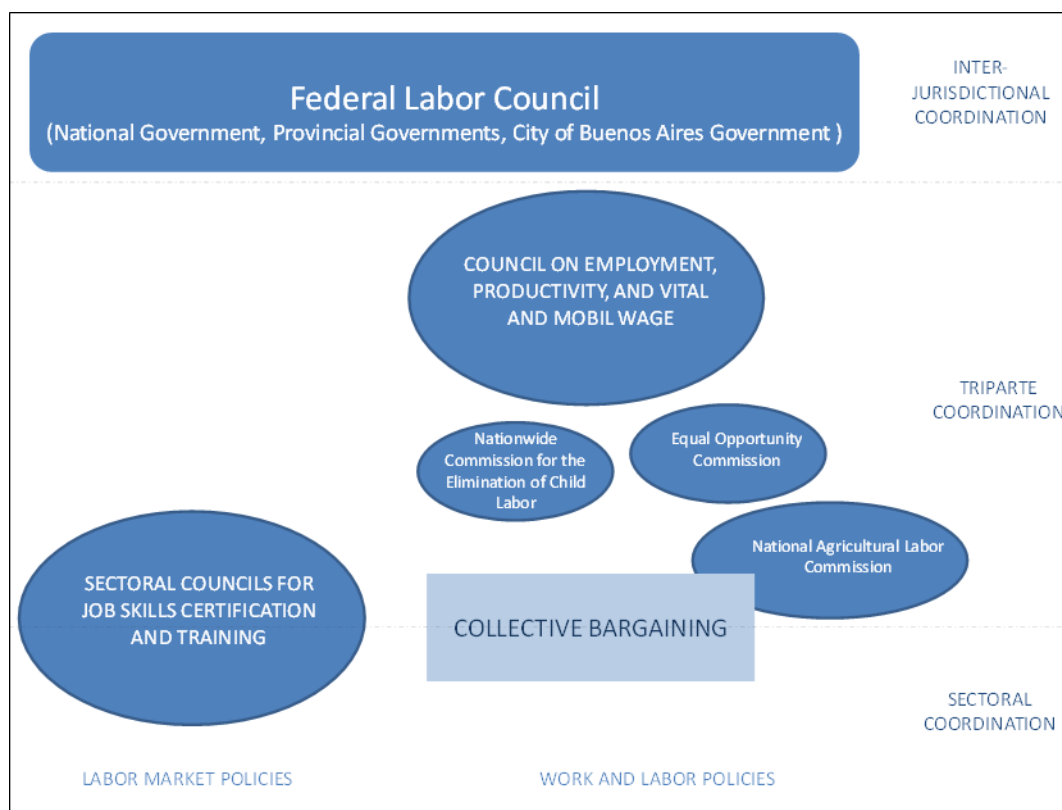
3.1.2 *Council on Employment, Productivity and the Vital and Mobile Minimal Wage*

This council is a nationwide tripartite body chaired by the Ministry of Labour whose members include representatives of the business sector and trade unions (sixteen each) . Its functions include periodically adjusting the vital and mobile minimum wage, as well as maximum and minimum levels of unemployment insurance benefits. It is also responsible

⁵ Act No. 25,212 enacted in November 1999 ratifies the “Federal Labour Pact.” See: www.trabajo.gba.gov.ar/cft/index.html

for setting standards for productivity and promoting studies of different sectors in order to identify training needs and prospects for labour insertion.

Figure 2 Employment policy coordination mechanisms



Source: own elaboration.

Although the Council dates back to the mid-20th century, its current form was established by the National Labour Act of 1991, which defined its tripartite nature and main functions. In the nineties, however, the Council's role was limited and it made no adjustments to the minimum wage. Starting in 2004, its participation was once again central and its bylaws reformulated. Among the modifications put into effect at that time was the power of any member to call a meeting, provided the motion is supported by the majority, and to place items on the agenda (Etchemendy, 2011).

There are four commissions that operate under the auspices of the council: the Vital and Mobile Minimum Wage and Unemployment Benefits Commission; the Employment Commission (which deals with non-registered employment); the Vocational Education and Training Commission (dedicated to employment-oriented education and training); and the Productivity Commission (which is mainly concerned with establishing parameters as the points of reference for modifications in the vital and mobile minimum wage). Of these commissions, the first, which addresses the minimum wage, is the one that has been most active since 2004. Thus, it is fair to say that since 2004 the Council has mostly dealt with wage issues and, to a lesser extent, the other topics that fall within its scope. One ongoing challenge is establishing the Council as a permanent participant in social dialogue.

In addition to the Council, there are other forums for dialogue between sectors on labour issues. One is the National Agricultural Labour Commission, which is also tripartite in nature, charged with regulating employment in the rural sector. Like the Council, the importance of this commission has grown since 2003, making considerable progress on

wage issues and, above all, the variable working conditions of this group of workers. One important measure, for instance, was establishing an eight-hour working day and regulating working conditions for migrant workers.

3.1.3 Collective Bargaining

Collective bargaining in Argentina has adopted the form of organized decentralization: agreements are implemented at company level but bargaining takes place centrally by area of activity. This ensures the participation of a large range of actors at local, sectoral and national level.

The 1990s witnessed a decline in collective bargaining and an increase in bargaining conducted at company level. Starting in 2003 and 2004, however, thanks to the initiative of the Ministry of Labour, business and workers' organizations began to modify established collective bargaining agreements and to organize new agreements by activity and by company. This marked the beginning of the system of bargaining rounds, which usually take place in the first quarter of each year. The rounds set an annual pattern for the collective bargaining process. By creating regulations, the Ministry of Labour acted as the engine behind the first of these rounds; later it served as a mediator and coordinator of the bargaining between the social actors involved.

Since 2003, the Ministry of Labour has played three distinct roles with varying degrees of intensity. Initially, it was the stimulus behind collective bargaining, providing incentives by means of legal and administrative measures. Soon, it came to play the role of coordinator, focusing on preventing bargaining from falling into a state of anarchy by setting, at the beginning of each round, a benchmark for wage increases, which usually acts as a minimum figure. This method has made it possible to avoid an excessive range of wages within a given sector and to moderate inflation expectations. Finally, as mediator, the Ministry of Labour has played an active role in facilitating and bridging positions so that agreements between the social partners can be reached. The Ministry of Labour also acts as a mediator after collective agreements are signed, dealing with non-compliance, complaints filed by trade unions, and varying interpretations of agreements (Etchemendy, 2011).

In terms of the number of collective agreements signed, 2010 witnessed the greatest number since 1988. From 2003 to 2011, the number of private sector workers covered by collective bargaining agreements grew from three to five million. From 2004 to 2012, a total of 11,722 collective agreements and conventions were signed. Most of the clauses of the registered agreements address wage issues (almost 85 per cent of all items negotiated), which can be explained, in part, by the economic growth in the last ten years but also by growing concerns about inflation among workers' representatives, which serves as a justification for adjusting wages, at least in nominal terms.

3.1.4 Sectoral councils for job skills certification and training

The sectoral councils for job skills certification and training represent the consolidation of an institution as well as a deepening of the experience of social dialogue developed through the sectoral round tables implemented in the early 2000s to deal with questions related to the sectoral skills programme. The transformation of this mechanism into the form of these councils entailed greater commitment to and progress towards a strategy that addresses the specific configuration required by each sector. Members of the councils, which are organized by the Ministry of Labour, are representatives of management, labour, and the public sector in over forty areas of economic activity. Their goal is to identify training needs and to devise a strategy to meet those needs in each sector; to encourage worker participation in specific training events; to guide the search for employment on the basis of demand; and to strengthen vocational training institutions

throughout the country. The sectoral councils have opened a forum for dialogue between representatives of business, labour and government in different areas in order to identify progress made as well as ongoing challenges in human resources training. This, in turn, furthers the tie between the employment and vocational training agencies and local productive actors (see section 3.2.2.)

3.1.5 Coordination across ministries for human resources training

In late 2011, the Ministry of Labour launched the Strategic Plan for Vocational Education and Training: Innovation and Employment - Argentina 2020, which is geared to the training of human resources in order to increase the country's competitiveness, incorporating the use of technology and universal access thereto. This plan attempts to improve, strengthen and promote the Ministry of Labour's training measures in order to increase their supply, develop the industry, and increase the competitiveness of different sectors of the economy. To meet these goals, it was necessary to coordinate this strategic plan with the measures of other ministries related to labour issues already underway. Along these lines, in 2012, an introductory meeting on the Strategic Plan for Vocational Education and Training was held in which representatives of the Ministry of Industry took part. A second meeting also included representatives of the Ministry of Science, Technology and Productive Innovation. Both meetings included representatives of business and labour, with technical support from the ILO. The aim of the meetings was to introduce and share the main items on the vocational education and training agenda in the framework of the plan's overriding goals. While for the time being these have been ad hoc encounters to share the strategies of different areas of government, they have demonstrated that the relevant actors feel the need for and have an interest in improving the coordination of the measures planned and carried out by the Government.

Box 2 Additional coordination mechanisms in areas related to employment policy: Nationwide Commission for the Elimination of Child Labor and Equal Opportunity Commission of the Ministry of Labor, Employment and Social Security

The Nationwide Commission for the Elimination of Child Labour coordinates, assesses and performs ongoing evaluation of efforts to prevent and eradicate child labour. The members of the Commission are representatives of different national ministries that address the issue of child labour, as well as workers' organizations, and business and civil society organizations. Advisors to the commission include UNICEF and the ILO's International Programme for the Eradication of Child Labour (IPEC). To deploy its measures throughout the country, the Nationwide Commission for the Elimination of Child Labour, in conjunction with the Federal Labour Council, has organized provincial commissions for the elimination of child labour, which it coordinates.

Similarly, a number of different ministries participate in the Equal Opportunity Commission, as do business and workers' associations and social organizations. The Equal Opportunity Commission is geared to the coordination and orchestration of efforts that further consensus and social dialogue on the issue of equal opportunity across genders in the world of work. The actions it undertakes include coordinating activities throughout the country, publishing studies and reports on the issue, and developing awareness-raising and information materials.

Source: own elaboration.

3.2 Employment policy support mechanisms

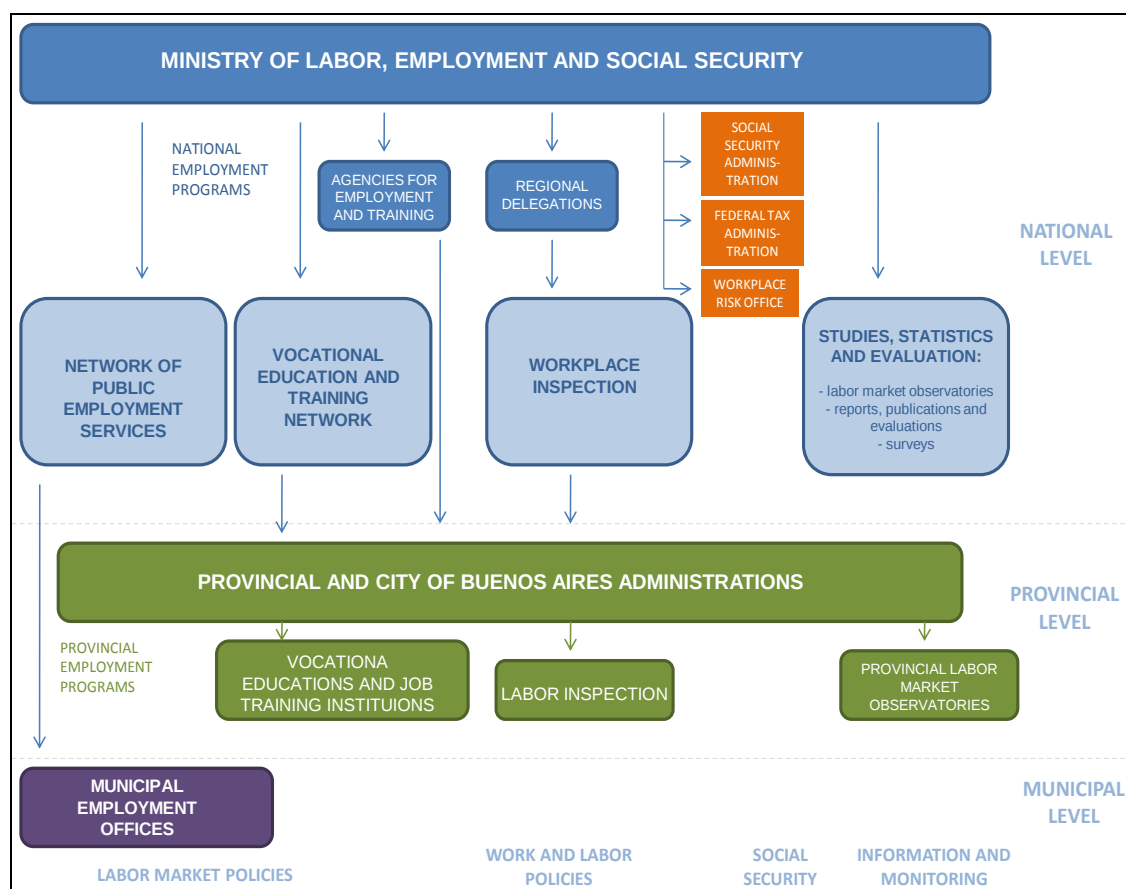
Given the range and breadth of employment policy support mechanisms, as well as the diversity of institutional actors in the Argentine case, this study proposes the following typology. First, three key support mechanisms, or “pillars”, are identified: workplace inspection, public employment services, and the job-skills training network or vocational education and training network. Second, it considers to what extent employment policy is institutionalized throughout the country, whether in terms of labour regulation and relations or in terms of issues that pertain directly to employment and skills development programmes. Third, the mechanisms for generating information and monitoring for the purpose of subsequent decision making and follow up on employment policy. Figure 2 provides a framework for understanding these mechanisms.

3.2.1 Pillars of employment policy support

3.2.1.1 Workplace inspection

As outlined in the National Labour Act (Act No. 14,013), workplace inspection is the joint responsibility of the federal and provincial governments. In the nineties, inspection was increasingly delegated to the provinces, and the Ministry of Labour’s involvement was dramatically reduced. This had a major impact on the rise in informal employment, especially non-registered wage employment, due to the limited ability of provinces to sustain workplace inspection in a context where they were asked to take greater responsibility for an array of functions.

Figure 3 Employment policy support mechanisms by level of government and function



Source: own elaboration

Following the 2001 crisis and the change in economic policy, rebuilding and strengthening workplace inspection became a policy priority. In 2004, Act No. 25,877 created the Comprehensive System for Workplace Inspection and Social Security, whose goal is to supervise and monitor compliance with labour standards and norms, and with social security regulations. The Act also grants the Ministry of Labour a fundamental role in the application of those norms, standards and regulations.

It was in this framework that the Ministry of Labour, through its regional delegations, enacted the National Plan for Employment Regularization, whose aim was to combat non-registered labour throughout the country. This plan is implemented jointly by the Federal Tax Administration Agency, the National Social Security Administration, the National Workplace Risks Office, provincial governments and the City of Buenos Aires. Under the plan, more than one million workplaces were inspected from 2003 to 2012, and more than 3.3 million non-registered workers were identified (Ministry of Labour, 2013).

During the structural reforms that took place in the nineties, responsibility for collecting social security contributions was shifted to the Federal Tax Administration Agency. One of the reasons for that shift was the belief that a nationwide body would be in a better position to carry out supervision and collection. Thus, the Federal Tax Administration Agency also plays an important role in the identification of non-registered work.

3.2.1.2 Network of public employment services

The network of public employment services encompasses all the country's municipal employment offices. The framework for its implementation is ILO Convention No. 88 and the provisions of the National Labour Act (Act No. 24,013). Its aim is to provide support, assistance and vocational guidance to people seeking employment or generating work through self-employment. It also does outreach and guidance work geared to applicants to employment programmes. In this framework, municipal employment offices, in conjunction with the vocational education and training network, are responsible for providing training and vocational guidance to their clients in order to increase employability at local level. The network also addresses the needs of employers as they attempt to fill vacancies and to train potential employees. There are some five hundred municipal employment offices throughout the country, estimated to reach about 70 per cent of the population. The level of development and specialization of these municipal employment offices varies greatly, thus the strengthening and expansion of the network of public employment services represents a major challenge for employment policy.

3.2.1.3 Vocational education and training network

The vocational education and training network gathers together all the vocational-training institutions in the provinces and the City of Buenos Aires that meet the quality requirements established by the Ministry of Labour. Its aim is to connect the demands of the productive sector with the training needs of workers. The vocational-training institutions engage in three different kinds of actions in keeping with the employment policies in effect: certification of formal studies (elementary and/or secondary school), technical training, and certification of job skills. To this end, the vocational education and training network works with the public employment services network to provide job-skills training and guidance to beneficiaries of employment policy.

The first aim of the programme of certification of formal studies is to ensure that workers who have not completed compulsory education (which, in Argentina, includes secondary/high school level) do so. This measure is primarily aimed at unemployed persons or beneficiaries of the Ministry of Labour's employment programmes (such as the "Vocational Training and Employment Insurance Programme" and the "More and Better Employment for Youth Programme") that entail cash transfers in order to improve the

economic security of households, as well as complementary actions geared to improving the employability of beneficiaries⁶ (for further details on these programmes, see section 3.3.2).

Secondly, technical and vocational training is aimed at those workers who want to learn a trade, further existing knowledge, and/or obtain a certificate that vouches for their skills. This task is entrusted to the job-training institutions that operate under the auspices of the provinces and the City of Buenos Aires, sometimes in conjunction with trade unions.⁷

Lastly, the Ministry of Labour engages in the certification of job skills. This is done on the basis of skill standards and norms set in conjunction with the relevant business chambers and workers' organizations. These define the skills, knowledge, and criteria required if a worker is to perform a certain trade or job. These norms and standards are useful in assessing workers and granting them the appropriate certification or indicating the areas in which they need further training. These programmes are operating in twenty-nine different sectors, though those with the highest participation rate are the metallurgical, meat-processing, construction, and car mechanic sectors.⁸

3.2.2 *Employment policy support mechanisms nationwide*

3.2.2.1 Regional labour offices and delegations

The regional offices and delegations act as representatives of the Ministry of Labour, Employment and Social Security, specifically its Department of Labour, throughout the country as it attempts to deal with the situations facing different regions. Its primary functions include workplace inspection in the framework of the National Plan for Employment Regularization and its federal offices. These regional offices and delegations also deal with labour relations issues such as collective bargaining and, in conjunction with the National Office of Trade Union Activity, handling paperwork associated with union organizations. There are currently forty delegations of this sort throughout the country.

The regional offices operate in each of the country's seven regions (Buenos Aires Metropolitan Area, Pampas, Centre, Cuyo, North-West, North-East and Southern regions). Their purpose is to coordinate the delegations' projects and activities and to provide institutional liaison with local political and social actors.

The structure of the regional offices and delegations underwent a change in 2003 that led to an increase in their importance throughout the country. This change basically entailed an increase in the number of offices and personnel, as well as a broadening of their functions. The regional offices and delegations have thus become one of the ways that the Ministry of Labour asserts a greater presence throughout the country, rendering it more capable of reaching local actors and more knowledgeable about local realities and issues. This has meant greater and more effective decentralization of employment policy.

3.2.2.2 Employment and job-skills training agencies

Employment and job-training agencies are delegations of the Ministry of Labour that operate in the provinces throughout the country. They act as representatives of the

⁶ From 2003 until January 2012, 769,597 individuals benefited from employment policy measures geared to completing school. In 2011, 90.5% of beneficiaries were enrolled in secondary school (Ministry of Labour, 2012).

⁷ From 2003 until January 2012, 623,295 individuals participated in vocational training measures in the framework of the vocational education and training network; over 40% were women (Ministry of Labour, 2012)

⁸ From 2003 until January 2012, 70,621 individuals had skills certified (Ministry of Labour, 2012), over 40% in the construction sector.

employment division of the Ministry of Labour, Employment and Social Security (Department of Employment). They are charged with promoting actions geared to generating jobs and training human resources, and, as such, their primary tools are employment and training programmes. They are also in charge of providing technical assistance to institutions interested in presenting projects that might fall within the scope of their programmes, coordinating the reception, assessment, and approval of those projects, as well as future follow up if approved. The activities carried out by the employment and job-training agencies are coordinated with the municipal employment offices which operate under the auspices of municipal governments.

3.2.3 Information and monitoring

In order to generate information on labour to facilitate monitoring and follow up of employment programmes, the Ministry of Labour has a number of labour market observatories and instruments providing primary data and secondary information. On the basis of the information gathered, the Ministry of Labour prepares and publishes statistics, reports, and studies on different labour issues.

The Ministry of Labour publishes the Employment Indicators Survey, which contains the results of a survey of medium-sized and large businesses (those with over ten registered workers) in all sectors except the primary sector. The survey is carried out on a monthly basis in the largest urban areas of Argentina. The Employment Indicators Survey makes it possible to study the progress and structure of wage employment, and to assess the training needs and the norms that regulate the jobs market in registered private companies.

Another important survey, this one geared to households, is the Nationwide Survey on Social Protection and Social Security. It was carried out by the Ministry of Labour in 2011 in order to get a sense of the overall employment situation in the country and the scope of social security system coverage, as well as the population's needs in terms of social protection. This survey complements the information about households and persons provided on an ongoing basis by the Permanent Household Survey conducted by the National Statistics and Census Bureau. Significantly, the Permanent Household Survey provides limited information on social protection, rendering the Nationwide Survey on Social Protection and Social Security essential to the ability to perform in-depth analysis.

In addition, the Ministry of Labour prepares information on various aspects of labour and employment on a regular basis. Such information is published in:

- a) the *Labour Statistics Bulletin*, which includes indicators about the job market, income, labour costs, employment and training programmes, collective bargaining, follow up on the National Plan for Employment Regularization, social security, workplace risk, and child labour;
- b) the *Collective Bargaining Report*, which includes a summary of the most important aspects of collective bargaining during a determined period, aspects such as the pace of negotiations, the sphere to which they apply, the areas of economic activity subject to conventions and agreements, levels of negotiation, clauses agreed on, wage structure, union representation in collective bargaining, as well as other information, which is then compared to information from earlier periods;
- c) the quarterly series *Employment Dynamic and Business Turnover*, which measures the creation and loss of jobs due to changes in the demography of the employing companies;
- d) the *Social Security Statistics Bulletin*, which provides consolidated statistics on the variables most important to social security, and
- e) the *Bulletin of Gender and Job Market Statistics*, which analyses the behaviour of employment indicators in terms of male-female distribution. Lastly, the Child and

Adolescent Labour Observatory, which operates under the auspices of the Ministry of Labour, is responsible for collecting and elaborating quantitative and qualitative information on the issue of child and adolescent labour.

Provincial governments and the City of Buenos Aires also operate labour observatories in their territories. These organizations generate statistics, record industrial disputes, and address the issue of child labour.

3.3 Employment policy in action: An analysis of its functioning in two key areas

This section offers a brief description of employment policy and its functioning in two key areas, registration of workers to reduce the rate of informal employment, and employment programmes.

3.3.1 Worker registration: National Plan for Employment Regularization

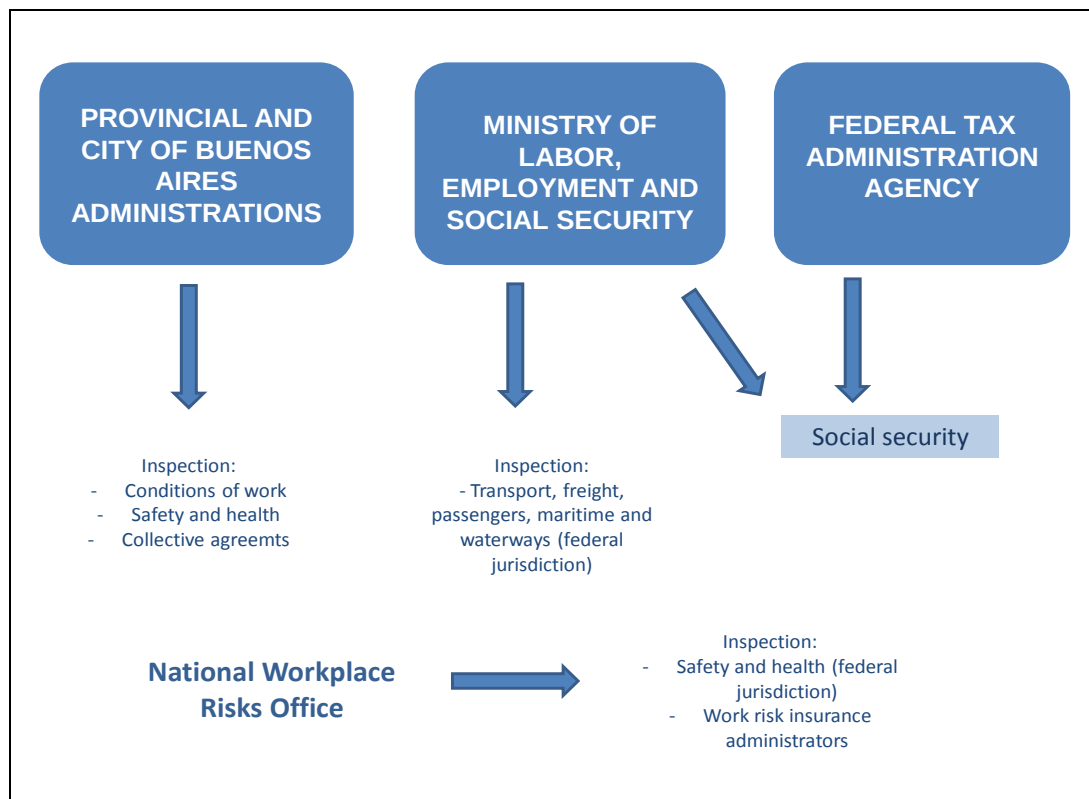
The strategy of the National Plan for Employment Regularization is set out in Act No. 25,877 (2004); it is implemented by the Ministry of Labour's regional delegations in conjunction with the Federal Tax Administration Agency. Specifically, inspection is carried out by the Ministry of Labour's regional delegations, the Federal Inspection Office, and agencies in the provinces and in the City of Buenos Aires (Figure 4). In this framework, the National Social Security Administration and the Federal Tax Administration Agency play a fundamental role in sharing information from their databases. The plan operates nationwide through thirty-eight regional delegations; since its launch, the inspection staff has grown to 472 (information from December 2012).

The National Plan for Employment Regularization uses an array of mechanisms to detect non-registered employment and then bring excluded workers into the social security system. As such, the Plan entails a battery of measures geared to reducing the rate of informal employment while facilitating auditing. These measures include the Tax Register Simplification and Unification Programme, which established a new framework for registration with a single procedure to facilitate the enrolment of workers, the identification of employers, and supervision of compliance with applicable regulations. In January 2011, the Digital Work Enrolment System was created, which makes it possible to verify, at the moment of inspection, the status of the workers at the establishment being inspected by means of an online connection to the Social Security System's database. This has meant a qualitative leap in terms of inspection efficiency and resource optimization.

Similarly, online platforms have also led to advances in the simplification of employee enrolment and in monitoring compliance with tax obligations. By means of the *Mi Simplificación* programme, the Federal Tax Administration Agency has facilitated the process of uploading data pertinent to the social security and tax systems.⁹ These actions were accompanied by awareness-raising and outreach campaigns in the mass media that explained the advantages of compliance with labour, tax, and social security obligations. Key to these actions has been education in community values such as a sense of solidarity and the importance of decent work through advocacy and raising awareness among the relevant actors.

⁹ The *Mi Simplificación* and *Su Declaración* programmes of the Federal Tax Administration Agency simplify the process for enrolling workers and for small business social security contributions. For further information, see: www.afip.gob.ar.

Figure 4 Distribution of areas of operation in the National Plan for Employment Regularization



Source: www.trabajo.gob.ar.

3.3.2 Employment programmes: Economic security with improved employability

In late 2003, in the context of early economic and employment recovery, the Ministry of Labour devised a strategy whose aim was to orient employment policy towards greater employability of unemployed workers and their reinsertion into the workforce. To this end, the comprehensive plan for “More and better employment” was put into effect. In subsequent years, this plan led to two major programmes that can be seen as the second generation of the 2002 Plan for Unemployed Heads of Households: The vocational Training and Employment Insurance Programme and the More and Better Employment for Youth Programme.

The Vocational-Training and Employment Insurance Programme is a non-contributory cash transfer programme associated with specific employment policy measures. It was created by the Ministry of Labour in 2006 in order to aid the unemployed in their search for employment and their attempts to increase employability. The programme consists of a monetary transfer in exchange for which beneficiaries must participate in different education and training activities (complete compulsory education, job-skills training, vocational guidance, among others). The programme was implemented in the framework of attempts to activate employment policy, which in the years immediately preceding had been geared mainly to alleviating the impact of the 2001-2002 crisis by means of the Plan for unemployed heads of households.

The Vocational-Training and Employment Insurance Programme offers services and tools to workers that opt to participate. Thus, in addition to a monthly stipend, beneficiaries receive the following services: vocational guidance and support in the search for employment; participation in programmes that match the labour needs of businesses with the skills of the unemployed; education, and job-skills and vocational training; programmes

for completing elementary and secondary school; support in individual enterprises or associative projects; and referrals to social services when deemed necessary. Another benefit of the programme is that the periods during which the worker is receiving the monthly cash transfers are considered periods of economic activity and thus beneficiaries accrue social security benefits during that time.

The More and Better Employment for Youth Programme is geared to unemployed youth between the ages of eighteen and twenty-four who have not met federal statutory education requirements. Its aim is to help these young people to improve their employability by means of different job-skills and vocational training actions, provide them with guidance as they try to find work, and support once they are working in their first jobs. Like the Job Training and Employment Insurance Programme, this programme includes a stipend in exchange for which beneficiaries must perform certain tasks related to education, job training or seeking employment.

To be accepted into the programme, applicants must request a personal interview at the municipal employment office assigned to the area where they live. In the interview, a vocational guidance counsellor provides the young applicant with further information on the programme. The next step consists of acquiring current information on the applicant's employment history, following which the two parties sign an agreement for participation in the programme that must then be certified by the Ministry of Labour employment and job-skills training agency in the district where the applicant resides.

The areas of action of the More and Better Employment for Youth Programme include the following:

- *Workshops for guidance and introduction to the world of work:* Counsellors or instructors use specific measures to identify beneficiaries' areas of interest, needs, and priorities; the specificities of their social and productive environment; the knowledge and skills pertinent to employment that have been acquired through prior educational or other experience, and strategies for appropriate planning and successful job seeking, as well as training and access to jobs. These actions mean that every young person can formulate the course of their training and future career. The maximum duration of the seminars is two months; they are mandatory and entail an additional cash benefit.
- *Education for certification of elementary and/or secondary school studies:* This programme component operates in conjunction with the provincial departments of education. It entails training services and certification of general studies for adults that are appropriate in terms of availability, modality, materials, and courses. Young people who attend school in order to finish elementary and/or secondary school receive additional economic assistance each month for a period of not more than eighteen months. This period can be extended for the completion of secondary school.
- *Job-skills training courses:* These include training sessions carried out by the municipal employment offices. The courses offered must meet the quality standards established by the Ministry of Labour in terms of appropriateness to the socio-productive requirements of each region and to the training needs of young people.
- *Certification of job skills:* Skills obtained through prior work experiences are validated and certified.
- *Creation of independent enterprises:* Business management courses are provided, along with the assistance of specialized consultants to develop a business plan.
- *Internships in work environments:* These can take place in the private or public sector, and include a counselling component provided by the municipal employment offices. The maximum number of hours is twenty per week, and work must be performed during the daytime and from Monday to Friday. Young people may take part in no more than one internship lasting a maximum of six months.

- *Assistance in seeking employment:* Young people have periodic appointments at their local Municipal Employment Offices for counselling, guidance and assessment. Young people who have attended the activities designed to assist them in seeking employment receive a monthly stipend for no more than four months.
- *Employment guidance:* Through the municipal employment offices, instructors inform participants of the personnel needs of local establishments that are compatible with their occupational profiles.
- *Employment insertion support:* The Ministry of Labour promotes the hiring of young people by offering financial incentives for a maximum of six months to very small, small and medium-sized business that hire them. Young persons who begin working in a small or medium-sized company in the framework of the Employment Insertion Programme receive a small stipend, and the employer pays only the difference between that amount and the wage for the job according to the collective agreement in effect for the activity or sector.

3.4 Accountability mechanisms

Accountability mechanisms involve two distinct phases: formulation of goals, aims, and strategic areas for employment policy during a determined period, including budget planning, and assessment, ongoing or final, of the implementation of the programmes and budget and the final outcomes.

3.4.1 *Strategic plan and results-based management by the Ministry of Labour, Employment and Social Security*

Starting in 2008, and on a regular basis thereafter, the Ministry of Labour has developed a strategic plan that defines the aims of employment policy for the period in question. It formulates goals and aims, and defines strategic areas. As a management planning tool, the plan outlines both general and specific goals underlying employment policy, as well as the outcomes that are expected during the period stipulated.

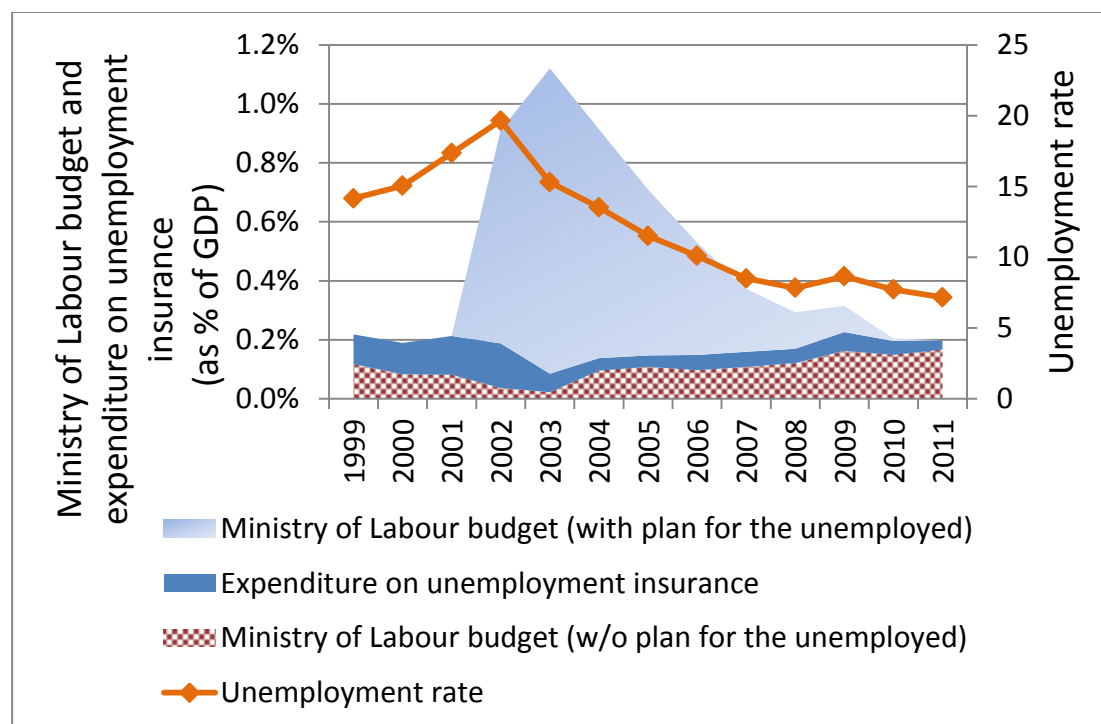
During the last decade, the issues that have driven planning include: the employment promotion, defined as facilitating access to employment as well as improving the quality of employment, particularly precarious, informal and non-registered work; the extension of social security coverage; fine-tuning labour relations and the system in which they operate; and strengthening the Ministry of Labour's working relationship with other ministries of labour in the region and with international organizations. On the basis of the strategic plan, a budget is prepared that contemplates expenditures for each policy area. Thus far, the Ministry of Labour has implemented two strategic plans, one for 2008-2011 and another for 2012-2015.

As part of the strategic plan, the Ministry of Labour has begun to implement results-based management methodologies in order to systematically align strategic goals with operations and monitoring of management indicators. The aim is to improve the efficacy of policy management. To that end, a comprehensive ISO 9001/2008 certified quality management system is being applied to the most important programmes undertaken by the Ministry of Labour. Finally, in order to support decision making, a system for the monitoring and assessment has been put in place to track the outcome and impact of measures implemented and the effective use of budgetary resources (Herrera, 2012).

3.4.2 Budget

The primary source of funding for Ministry of Labour expenditures is its allocation from the National Treasury.¹⁰ In the past, resources provided by foreign credit agencies, loans from the Inter-American Development Bank and the World Bank, played a significant role. After the 2001-2002 crisis, however, the importance of those sources of funding diminished. There are currently specific funds allocated to employment policy, such as the National Employment Fund (created by Act No. 24,013 passed in 1991), as well as specific allocations that represent no more than two per cent of the Ministry's overall expenditure.

Figure 5 Ministry of Labour budget with and without plan for unemployed heads of households, expenditure on unemployment insurance and unemployment rate (in percentages)



Source: own elaboration.

The total expenditure of the Ministry of Labour has varied greatly in recent years. Until 2001, the design and implementation of some of the Ministry's employment policies was decentralized to the provinces. Following the 2001-2002 crisis, however, the Ministry of Labour came to play a major role not only in the design but also in the implementation of employment policy. Indeed, even after the effects of the crisis had been largely overcome, the Ministry's role in employment policy management continued to grow, although the budget allocated to supporting individuals facing employment difficulties diminished due to two factors: the recovery of the job market and the restructuring of social protection programmes, specifically the shift of cash transfer welfare programmes from the Ministry

¹⁰ The Budget Bill is proposed every year by the Ministry of Economy and Finance and passed by the National Congress. The National Budget Office, along with other divisions of the Ministry of Economy and Finance, prepares the budget for employment policy in the framework of the nation's overall budget. This is done in conjunction with different areas of the Ministry of Labour. The budget is then passed by the Congress and the expense items are distributed by the Ministry's departmental heads. Finally, the National Budget Office has section responsible for monitoring the implementation of the budget.

of Labour to the Ministry of Social Development and the National Social Security Administration (see Figure 5).

In the 2000s, the Ministry of Labour had growing resources for employment policy due to both greater commitment on the part of the State and greater fiscal scope thanks to a considerable increase in tax collection. It is important to point out, however, that the financing of specific funds has been volatile, since they are allocated from the surplus of the National Employment Fund once unemployment insurance benefits (administered by the National Social Security Administration) have been paid. This can generate a degree of uncertainty about how these funds will behave during periods of fewer fiscal resources and/or higher rates of unemployment.

3.4.3 Auditing

The Federal Audit Agency is the entity that provides the Argentine Congress with technical assistance in the oversight of public sector accounts. The Federal Audit Agency verifies that the executive power is complying with accounting, legal and management requirements; it monitors the complete, clear and accurate presentation of public accounts and assesses the administration of fiscal interests. Its responsibilities include examining the books, documents and records of the entities it has decided to audit at the close of the accounting year. In an Audit Report with comments, conclusions and recommendations, it advises the legislative power on the performance of the National Public Administration and the state of public funds. The Federal Audit Agency has issued reports on different branches and programmes of employment policy such as the vocational education and training system, the Plan for Unemployed Heads of Households, and Productive Recovery Programme (Federal Audit Agency 2011; 2012a; 2012b).

At the same time, the National Budget Office assesses the application of the budget within its area of operation. The Ministry of Labour also has an Internal Audit Division that operates under the auspices of the Comptroller General of the Nation. The tasks of this office include verifying compliance with the Ministry's policies and plans, carrying out legal and accounting audits, determining the trustworthiness of the data used in official information and producing reports.

Lastly, provincial and municipal comptroller general departments are responsible for performing general audits of the public accounts of sub-national entities, including expenditures related to employment policy at provincial and municipal level.

3.4.4 Employment policy assessment instruments

While there is no independent unit within the Ministry of Labour responsible for assessing employment policies, a number of different ad hoc measures have taken shape over time, particularly in recent years during the recovery from the 2001 crisis. The Ministry of Labour's Office of Studies and Statistics, which operates in its Division of Technical Planning and Labour Studies, has provided assessments of specific employment policies, including instruments used to address the consequences of the international economic crisis of 2008-2009.

Two mechanisms for the preservation of employment and the creation of recruitment incentives were put into effect in 2009 and in 2010: the Crisis Prevention Procedures and the Productive Recovery Programme, both of which are analysed (see Box 3.2) by means of state-of-the-art assessment methodologies in order to evaluate their effectiveness and to devise possible modifications to optimize impact.

Box 3 Outcomes and recommendations resulting from the assessment of employment policy instruments used to tackle the 2009 crisis

In late 2008 and over the course of 2009, against the background of the international financial crisis, new policies were put into effect and existing policies expanded in order to prevent layoffs and promote job creation. The specific instruments used were the Productive Recovery Programme and a temporary decrease in employer contributions to social security to encourage the creation of new jobs. Both policies proved effective at attenuating the effects of the 2009 crisis. Thanks to the Productive Recovery Programme, layoffs were avoided, particularly in companies with low levels of employee turnover and longer-term workers. The reduction in employer contributions encouraged job creation especially in companies with a high turnover rate.

In 2012, the Ministry of Labour's Office of Studies and Statistics carried out an assessment of the impact of these policies on the job market. The aim was to measure employment changes in the target population by means of a methodology that would indicate what would have taken place in the employment dynamic in terms of certain factors if the employment policies in question had not been applied. The main results of the assessment are presented below.

Reduction in Employer Contributions

In late 2008, the scope of an existing reduction in employers' social security contribution was extended to new jobs in order to keep up the pace of new hirings despite the effects of the international crisis. The assessment revealed that the effect of the programme was positive: employment growth in the companies that made use of the policy was 8.5% higher than in companies that did not take part. Thanks to the methodology used in the assessment, it was shown that the measure reduced employment loss by half compared to what would have occurred in the same context without the measure. The assessment also revealed that use of the policy instrument was more common in the construction, business activities, and the hotel and restaurant industries (all three cases registered that more than 7% of workers were employed under the auspices of this policy). Significantly, though, only half of the workers hired under this policy during the period were hired for new positions that would not have existed without the measure. The assessment also showed that the mechanism was mainly used in areas of the economy with high employee turnover (Ministry of Labour-ILO, 2012).

The Productive Recovery Programme

While the Productive Recovery Programme has existed since 2002, its scale and funding were expanded in 2008 in the context of the international crisis in order to sustain levels of employment and to contribute to the recovery of businesses in certain sectors of the economy. During the period, participation in the Productive Recovery Programme was highest in the manufacturing sector, almost 50% in medium-sized and large companies. The assessment revealed that the implementation of the Productive Recovery Programme successfully reduced layoffs in participating companies by half; it also served to reduce other sorts of termination of employment. The assessment revealed that the programme was more effective when focused on companies more affected by the crisis, such as those in engineering and employment-intensive industries.

However, the assessment of both the above instruments, concluded that the analysis was applicable only to a specific national and international context during a relatively brief period. The outcomes must be considered within the confines of those circumstances. It should also be borne in mind how difficult it is to assess specific employment-policy instruments where performance variables are determined by a range of aggregate and microeconomic factors (Ministry of Labour-ILO, 2012).

Source: Castillo, Rojo Brizuela and Schleser, 2012; Ministry of Labour and Social Security-ILO, 2012.

4 Conclusions: lessons learned, and future challenges

Over the course of the last two decades, Argentina has gradually developed labour institutions for the formulation and implementation of employment policy. The 2001 crisis and the subsequent change in development strategy towards a framework that privileges the creation and protection of employment has meant that in the last decade mechanisms for the coordination and support of employment policy have intensified and expanded; it is now a public policy priority. This is evident in the commitment on the part of the national government, and of a range of social actors (employers and workers' organizations), who have enrolled in three consecutive Decent Work Country Programmes (periods 2003-2007, 2008-2011, and 2012-2015), to follow the recommendations of the International Labour Organization. As part of the same commitment, the Government added a further objective to the internationally agreed Millennium Development Goals, "Promotion of Decent Employment."

Thus, employment policy has found a political space in a context of greater economic growth, employment creation, and greater fiscal resources. This has made it possible to strengthen the pillars necessary for its development.

One important lesson learned is the recognition of the need for ongoing engagement and long-term planning in order to optimize the development of the institutions relevant to employment policy. To that end, a certain degree of stability is necessary both in the representatives of the relevant social actors and in the staff working in the areas of government engaged in employment policy. In this sense, in the case of Argentina during the last decade (2003-2012), there has been considerable continuity in the Government's administration, particularly in the case of the Ministry of Labour and, even more so, in its team of secretaries and departmental heads in the areas of labour and employment. This is also true of the Division of Technical Planning and Labour Studies, which has developed and furthered the analysis, follow up and monitoring of employment policy.

In terms of accountability, there are various instruments for the monitoring of employment policy; assessment, though, is still in its early stages. The delay in intensive engagement in assessments of different aspects of employment policy was due to the fact that, in the early 2000s, all of the country's institutions were geared towards overcoming the consequences of the crisis and the socio-occupational emergency and extreme deterioration of the job market that it entailed. Another reason is the time that it takes to develop and optimize information systems and to train technical personnel specialized in public policy assessment. For instance, only in recent years has the Ministry of Labour had all the information necessary to study individual employment histories on the basis of social security records and business trajectories. This information is necessary for the analysis of both the demographics of those employment histories and the employment dynamic in general. Building solid information about programmes, beneficiaries, and economic units, as well as their connection with different policy instruments, requires great institutional efforts and support from the highest levels of the political structure.

Finally, in terms of lesson learned, the profound economic crisis of 2001 revealed the urgent need to reconstruct an employment policy capable of confronting the consequences of the crisis and setting the country on the path to growth. In other words, the crisis also represented an opportunity to redefine the importance and centrality of employment policy to development strategy.

Below is a list of some ongoing challenges facing the mechanisms for formulating and implementing employment policy. Significantly, some of the challenges are not necessarily limited to the issue of employment but relevant to the complex institutional structure operative in the design and implementation of public policy in Argentina in general. This list includes both general and specific challenges:

- Reviewing the mechanisms of coordination across ministries, institutions and jurisdictions (national, provincial, municipal) in order to assess ways to improve their structure and functioning;
- Strengthening the Council on Employment, Productivity and the Vital and Mobile Minimum Wage and its operations, as well as the efforts of its commissions over and above the issue of wages;
- Improving coordinated efforts with social actors in both the network of public employment services and the vocational education and training network;
- Strengthening the joint efforts of and relationships between the sectoral councils for job skills certification and training and local actors, particularly local members of the productive sectors;
- Modernizing and improving coverage of both the network of public employment services and the vocational education and training network, reducing gaps in capacity in certain locations, and optimizing the services offered according to local needs and demands;
- Improving the capacity and effectiveness of workplace inspection in the framework of the National Plan for Employment Regularization by, for instance, furthering and expanding mechanisms for intelligent inter- and intra-institutional supervision;
- Broadening information systems that support employment policy on the basis of administrative records and specific surveys;
- Perfecting the system for the registration of employment policy beneficiaries, including unemployment insurance benefit recipients, and improving coordination between ministries on other social policies that have a direct or indirect relationship to employment and to welfare at household level;
- Developing an employment policy assessment system in which technical teams from different areas of the Ministry of Labour participate and building a solid network of collaborators and external evaluators;
- Broadening and consolidating the technical team of the Ministry of Labour directly engaged in the design and implementation of employment policy; and contributing to the training of personnel by provincial and municipal labour agencies.

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Surveys, reports, publications and labour, employment and social protection observatories in Argentina developed by the Ministry of Labour

- On a periodic basis, the *Employment and Business Dynamic Observatory* of Argentina releases indicators for the structural and dynamic analysis of employment and business on the basis of administrative records provided by the Federal Tax Agency and the National Social Security Administration.
- The *Employment Indicators Survey* is carried out monthly in order to track the evolution of registered salaried employment and its structure and to measure the training needs, and norms and standards that regulate the job market in registered private companies with over ten workers. The survey is carried out in the country's largest urban areas.
- The *Labour Statistics Bulletin* compiles a wide range of indicators from different sources of the Ministry of Labour and the National Statistics and Census Bureau, including those pertinent to the job market, income and labour costs, employment and training programmes, collective bargaining, follow up of the National Plan for Employment Regularization, social security, workplace risk, and child labour.
- The *Collective Bargaining Report* is a summary of the most important aspects of collective bargaining during a certain period that is then compared to earlier periods. The source of the information in this document is agreements and pacts certified by or registered with the Ministry of Labour. This report traces key aspects of collective bargaining and its development, specifically: pace of negotiation, realm in which it is applied, areas of economic activity covered by agreements and pacts, levels at which negotiations take place, clauses signed, wage structure, union representation in collective bargaining, and others.
- The quarterly series *Employment Dynamic and Business Turnover* measures job creation and loss due to demographic changes in the employing companies: new enterprises, company closures and expansions, and layoff in companies in operation. The analysis includes sectorial information and information about the size of employing enterprises.
- The *Social Security Statistics Bulletin* offers current and consolidated statistics that are dynamic enough to provide essential information on the most important variables about social security in Argentina. It contains a set of statistics on different areas of social security: retirements and pensions, family allowances, unemployment insurance, and workplace risk insurance.
- The *Child and Adolescent Labour Observatory* is one component of the Survey and Observatory on Child Labour, which started in 2003 pursuant to an agreement between the Ministry of Labour and ILO's International Programme for the Elimination of Child Labour. The main aim of the agreements realized since then is to strengthen the Ministry of Labour's ability to design, enact, and sustain a Child and Adolescent Labour Observatory that makes use of current and accurate quantitative and qualitative information.
- The *Nationwide Survey on Social Protection and Social Security* is a survey carried out by the Ministry of Labour in 2011 in order to show the state of employment and the coverage of the social security system throughout the country's population, as well as the social protection needs thereof. The survey covers the largest urban areas in the largest provinces in the country.

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