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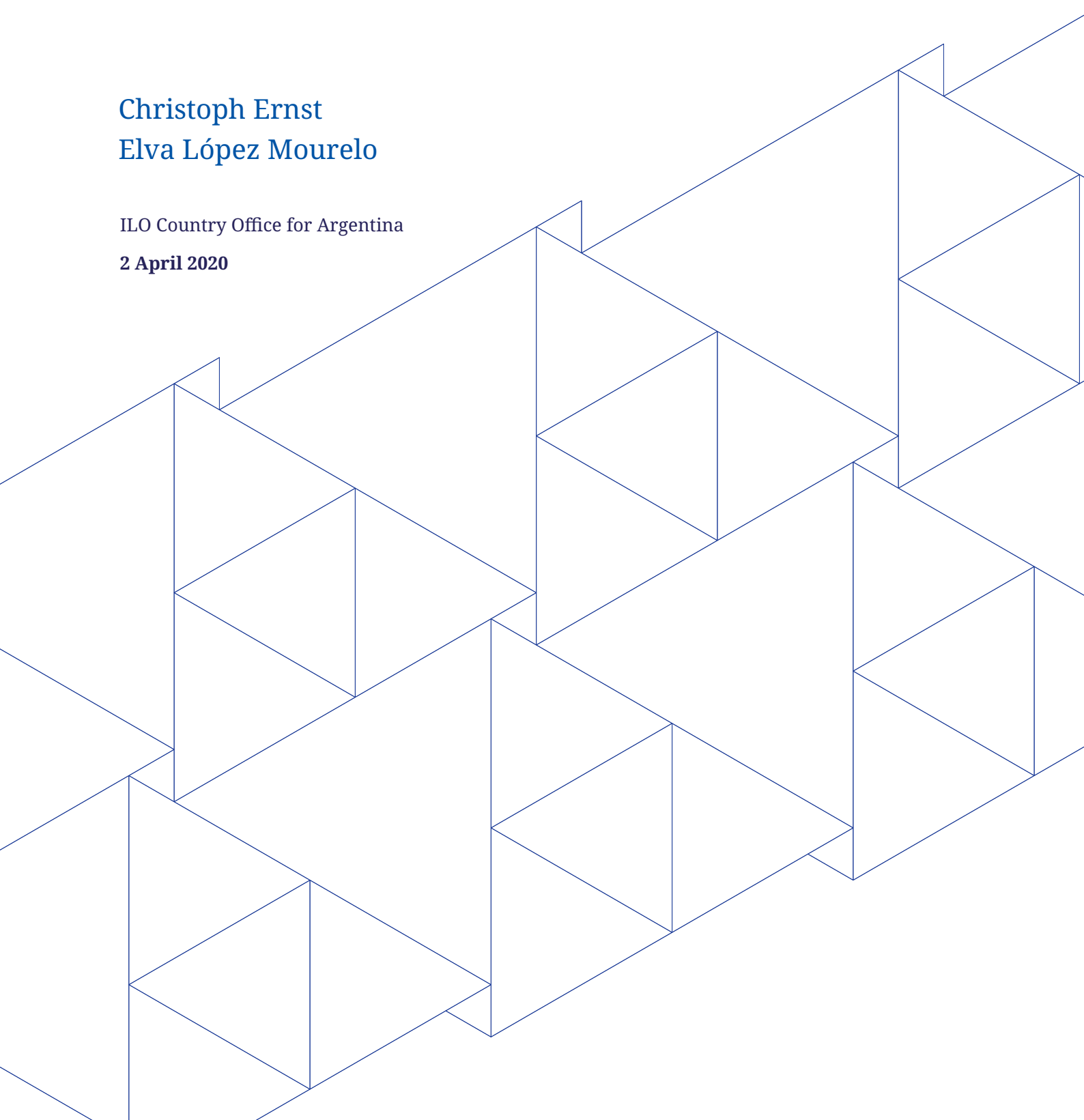
EXECUTIVE SUMMARY

► **COVID-19** and the world of work in **Argentina:** *Impact and policy responses*

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Executive Summary

The crisis caused by the COVID-19 pandemic will have a major impact on the Argentinian economy, which was already weakened by annual inflation of over 50 percent and a considerable drop in the GDP. In addition to this national context, marked by a weak economic situation and the presence of structural problems in the balance of payments and the current account, there is the problem of renegotiating the public debt with external creditors, which has yet to be resolved.

The crisis is also affecting the labour market, which was already showing a considerable unemployment rate, with nearly 1.2 million job-seeking people at the end of 2019. Regarding the quality of work, a drop in wage-earning employment had already been observed since 2017 in Argentina, accompanied by an increase in the percentage of non-registered workers. The mandatory isolation measures adopted by the government because of the health emergency are having an especially harmful effect on this group, given that the majority perform personal services that cannot be provided remotely, such as domestic work, for example.

The paralysis of the economy is affecting service sectors even more, above all commerce and activities related to tourism and the mobility of persons, such as hotels and transport. The crisis has had a major impact on the activity of bars, restaurants, theatres and cultural and artistic events, among others. Likewise, industry is another sector that has been very adversely affected due to the drop in demand for final products, the difficulty in transporting merchandise and the disruption to global value chains.

While the crisis caused by COVID-19 affects the entire population, some worker groups are even more adversely affected. Women, for example, are the most harmed due to their higher presence in the informal economy, and they are over-represented in tasks on the front line of the response to the pandemic (nurses, cleaners, caregivers, etc.), in addition to their non-remunerated work at home. Informal workers make up another group affected by isolation measures because they do not have social protection measures that would allow them to collect income during the time when they cannot work. They also do not have access to key labour rights within the current context, such as health insurance, sick leave and coverage due to occupational illness. Own-account workers or small contributors under the simplified tax scheme (*monotributistas*) who perform services have also had to stop their activity as a consequence of the

restrictions on the movement of persons and merchandise. Their lack of access to an unemployment benefit or coverage in the case of occupational illness places them in a situation of special vulnerability due to the economic and social impact of the pandemic. Finally, workers who perform caregiving activities at households—mainly women—have seen their remunerated workload increase due to the closure of schools and care centres. An overload of tasks that they also face in their own homes and that, in many cases, are performed within the context of anxiety and stress caused by this crisis.

Argentina is one of the countries that reacted the quickest with economic and employment measures to mitigate the consequences of the crisis. In order to stimulate economic activity and labour demand, the Argentinian government increased the budget for investment in public works by 40 per cent, and it launched credits with preferred interest rates to guarantee the production of basic products, in addition to offering technological and digital assistance to SMEs for implementing telework policies. Consumption stimulus packages through price-setting and payment facilities were also offered, such as those included in the *Ahora 12* programme.

Regarding employment and income support measures, the government established the Emergency Family Income (IFE), the payment of an extraordinary supplement of the Universal Child Allowance (AUH) and of the Universal Allowance for Pregnancy. Reductions of up to 95 per cent of employers' contributions were applied for the companies most affected by the crisis. In order to maintain employment in the most affected sectors, wage subsidies were established through expansion of the Production Recovery Programme (REPRO) for workers of companies with over 100 workers whose sales revenue has dropped, and a compensatory wage allowance was established for wage-earners who work at companies of up to 100 workers that meet the eligibility criteria. Moreover, the government recognized the exceptional labour of health care personnel through a special allowance for health workers between the months of April and July (inclusive).

Moreover, protective measures at the workplace were implemented. Some of them were sick leaves for workers exposed to the risk of infection, the promotion of remote work and leaves for workers with care responsibilities related to risk groups.

While these economic and social measures were important and appropriate, some challenges are still pending. For example, it will be necessary to assess the effective coverage of income support policies and ensure that the most vulnerable populations receive such aid. Matters related to occupational health and safety for new modes of flexible work, such as remote work, will also have

to be monitored. Another fundamental question is strengthening the gender perspective in the response to this emergency, given that women are assuming an extraordinary burden of care during this pandemic.

As in all crises, the agreements reached as a result of the social dialogue that takes place between the government and employer and worker organizations will be essential for managing to overcome the social and economic harm caused by this pandemic and to reach the such sought-after social cohesion. Finally, all national responses should be accompanied by effective multilateral action to take on this global enemy.

COVID-19 and the world of work in Argentina: Impact and policy responses

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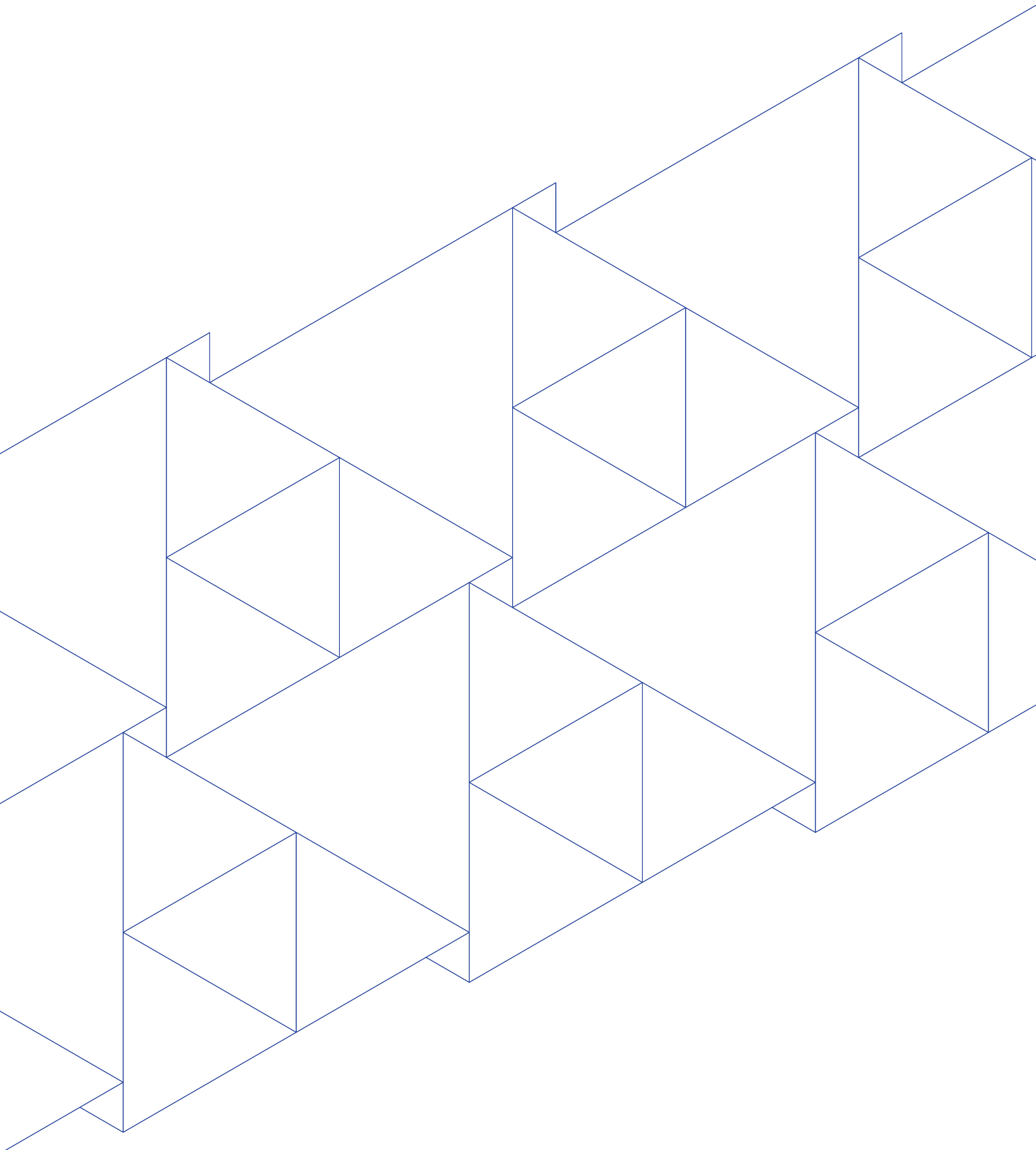
► NOTICE

The use of language that does not discriminate or mark differences between men and women is one of the concerns of our Organization. However, there is no agreement among linguists about how to do so in Spanish. In this regard and in order to avoid the graphic overload that would be meant by using 'o/a' (male/female gender markers in Spanish), we have opted to use the classic generic masculine marker in the Spanish version, thereby understanding that all mentions in such gender always represent both men and women.

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