



Organización
Internacional
del Trabajo

Executive summary

► The Emergency Family Income (IFE) policy

Its impact on adolescent participation in
the labour market

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The health crisis caused by COVID-19 has not only posed a risk to the health of the global population but has also had an impact on global economic and social stability. The lockdown measures ordered by governments to control the spread of infection have had repercussions on economic activity. Many households, particularly the most vulnerable, have faced serious problems in obtaining sufficient financial resources, especially when their income comes from precarious and informal work. In Argentina, according to the Survey on People's Perceptions and Attitudes related to COVID-19 (COVID-19 Rapid Assessment Survey) – conducted in October and November 2020 by the United Nations International Children's Emergency Fund (UNICEF) to learn the direct effects caused by the COVID-19 pandemic – the decrease in labour income as a consequence of the pandemic had affected 41 per cent of the country's households by the end of October and the beginning of November. Furthermore, this percentage increased to 53 per cent among beneficiary households of the Universal Child Allowance (AUH), which suggests an increase in economic vulnerability that households with children and adolescents (C&As) have had to face.

Several studies indicate that the household income level tends to be one of the factors that determine the decision to work, not only by heads of households but also by all other members: the greater the socio-economic vulnerability of the household, the greater the risk that C&As will perform tasks that are not in

accordance with their age. In line with this and according to data from the COVID-19 Rapid Assessment Survey for Argentina, 16 per cent of adolescents performed market-oriented labour activities, and among this group, 46 per cent indicated that before the lockdown, they did not perform any such activities. This data is worrisome if we consider that the production activities performed by C&As represent an opportunity cost for taking part in educational, recreational and leisure activities.

Within the context of crises such as the current one, governments must guarantee adequate access to social protection systems, given that the vulnerabilities of families could become worse. This could consequently favour an increase in child labour (CL), especially among adolescents, in order to offset the drop in household income. Any form of child and adolescent labour – whether it means that C&As are performing domestic tasks, family consumption activities or market-related activities – can increase the likelihood of not attending or dropping out of school: time studying competes with time working. In the situation of a health and economic crisis such as the one caused by COVID-19, income transfer policies play an especially important role, not only for easing the negative consequences of the crisis but also for mitigating the risk of CL as well as adolescents' early entry into the labour market.

In Argentina, the national government implemented a series of measures against COVID-19,

notably including the creation of the Emergency Family Income (IFE) policy by Decree 310/2020: one of the country's most important emergency policies, which sought to protect Argentinian families against the loss or decrease of income due to the health crisis. Since the implementation of this policy and up to July 2020, it has reached nearly 9 million unemployed persons, workers of the informal economy, dependent *monotributistas* (small contributors under a simplified tax scheme), *monotributistas* of categories A, B, and domestic workers. To the extent that this monetary transfer represents a significant contribution to covering the basic needs of the most vulnerable households, the same public policy could have a potential impact on CL, whose incidence tends to be higher in such households.

In order to contribute evidence along this line, this document analyzes the IFE and its relationship to adolescent participation in the labour market. Therefore, first, this programme's coverage is studied, mainly among households where C&As reside. Second – to the extent that the IFE represents a transfer of income to a household and that income has a potential impact on decisions related to the participation of its members in the labour market – this document seeks to contribute evidence regarding the programme's impact on the activity rate of adolescents. As a whole, the analysis seeks to investigate the IFE's role as a mechanism of protection and prevention among adolescents with respect to their early insertion in the labour market.

Likewise, within the framework of the debate on how these emergency programmes can become programmes that remain in force in the medium term, the various policies implemented in other countries of the region and the world to mitigate the adverse effects of the crisis caused by the COVID-19 pandemic are reviewed, thereby providing a useful framework of reference for the analysis and for making public policy recommendations related to the IFE in Argentina.

To meet these objectives, data from the Permanent Household Survey (EPH) are used, which is conducted by the National Institute of

Statistics and Censuses (INDEC) and contains information about a set of labour and socio-demographic characteristics of the country's main urban centres. While the survey does not seek to investigate aspects related to CL, the information provided allows for the exploration of the condition of activity of adolescents ages 16 and 17.

Among the conclusions reached, the analysis shows that the IFE, as a monetary transfer programme, is consistent with the call made by the Economic Commission for Latin America and the Caribbean for countries in the region to adopt a Basic Emergency Income that would contribute to satisfying basic needs and sustaining the consumption of households during the pandemic. While the IFE's horizontal coverage (the extent of coverage within the population) and vertical coverage (the set of social risks that are covered, including the quality and the generosity – replacement rate – of the benefits) did bolster the social protection of the most vulnerable households (especially those with C&As), the country's regional disparities must also be taken into account, as well as the fact that the needs of households with C&As are not the same as those without C&As. Likewise, considering that 11 per cent of adolescents reside in a household that was not eligible for either the AUH or the IFE, or the Contributory Family Allowances (A AFFs), and also considering that, within this group, there is a significant percentage with socio-economic characteristics of vulnerability, there should be a discussion about the need to extend social protection coverage to these groups, especially when the households in question are at risk of child and adolescent labour.

On the other hand, even though the IFE is not specifically oriented at reducing the problem of early labour insertion, the results obtained indicate that it does seem to have significantly reduced the likelihood of entry of adolescents into the labour market in eligible households residing in cities with high potential coverage. This differential and negative impact of the IFE, depending on the city of residence, is also observed among men and women. Furthermore, the IFE's effect of reducing the likelihood of

adolescent participation in the labour market seems to be associated with a lower rate of school dropout, consequently meaning that the IFE favours this group remaining in the education system and not entering the labour market early. This result is encouraging, given the negative relationship between work and study among adolescents. In this regard, access to the public offer of education must be strengthened and guaranteed, mainly among adolescents who encounter the most difficulty in accessing this right, such as those who live in rural areas and those in the poorest and most vulnerable regions of the country. In these latter households, connectivity must be guaranteed, above all considering that the lockdown could have had a negative impact on access to education and to social protection policies such as the IFE, especially among C&As who reside in the disadvantaged areas.

Due to the fact that receiving the IFE is not subject to compliance with any conditionality, the evidence obtained could suggest that any such conditionalities would not play a key role with respect to the observed impact on CL. It must also be kept in mind that the estimated impacts are conditioned by the specific context of a pandemic and by a lockdown in which mobility was restricted, which could have consequently limited the labour market entry of adolescents and, conversely, could have favoured their remaining at home. Within this context, the income received through the IFE was not the only measure available during the pandemic, in terms of policies implemented by the government. Other aid – such as the delivery of food – and all the other social policies in force could likewise act as determinants of participation by adolescents in the labour market.

One of the limitations of evaluating the impact is the fact that the analysis was conducted considering only adolescents who were in households that were eligible for the IFE, which are differentiated by the level of potential horizontal coverage of the programme according to their area of residence. While this does allow the programme's differential impact to be determined according to the level of potential coverage, the data does not provide information about the impact of this public policy on the group of adolescents covered by the IFE in

comparison with a group having similar characteristics but not reached by the programme.

Another limitation is related to the lack of information for rural areas, considering that the EPH covers the country's main urban centres. Given that rural areas tend to be characterized by a greater incidence of poverty and CL, the IFE could have likewise created a differential impact in these areas. However, it should be kept in mind that, in order to observe a differential impact, the vertical and horizontal coverage must be high enough for the programme to cause a significant effect. Along this line, it would have been advisable to adjust the amount of the IFE according to the needs of each region, therefore applying (for example) different amounts by area of residence – as is done with the AUH – or according to the number of C&As residing in a household.

Furthermore, the estimated results must be interpreted with caution considering the limitations of the EPH's information, which does not capture other types of labour activities performed by adolescents in addition to remunerated work, such as intense domestic work or family consumption activities. Given that the quantity of observations for the studied demographic group is limited in the EPH, participation in the labour market – instead of adolescent work – was considered to be a result variable of the analysis. This also restricted the possibility of conducting a more detailed analysis of subgroups of adolescents defined by the region of residence (for example) or by relevant characteristics of the household, such as the education level of the head of household, the family structure, the income bracket, etc.

Even though the IFE was established as a one-off policy in the country to provide a response to the crisis caused by COVID-19, the results of this document offer signs of its potential to be established as a complementary policy to the AUH in terms of better vertical coverage of social protection among recipient households, especially those where C&As reside. As such, the analysis clearly shows the crucial role played by adequate social protection within the context of the health and economic crisis caused by COVID-19, especially in vulnerable households where there are adolescents at high

risk of entering the labour market early. Based on the impacts that the IFE seems to have on the studied problem, policymakers could evaluate if this public policy should be implemented permanently in order to contribute to the well-being of households with C&As. Conversely, the need to adjust the amount of the AUH should be considered, thereby taking into account that this social protection policy has proved to be effective in terms of the fight against CL, especially among the poorest and most vulnerable households. In this regard, the following possibilities could be studied: granting amounts that at least cover the value of the Basic Food Basket (CBA) among adolescents of beneficiary households (considering that adolescents have higher nutritional requirements than adults); granting amounts that are adjusted according to an index that guarantees that the transfer maintains its purchasing power within an inflationary context; or granting amounts that are differentiated by area or region of residence, therefore modifying the current design, which only differentiates the amount for one zone.

The evidence is also encouraging with regard to the implementation of the extraordinary supplement by Decree 261/2021, which could generate favourable results for the studied problem due to being a monetary transfer for persons who have C&As under their care and who receive the AAFF, the AUH or the Pregnancy Allowance for Social Protection or the Universal Allowance for Pregnancy (AUE).

While it is acknowledged that income transfers contribute to reducing CL and the labour activity rate of adolescents, these problems must also be tackled as a whole to enhance the impacts on the overall well-being of C&As and of all other members of a household where C&As reside. Within this context, the importance of care policies or complementary public policies must be considered, such as raising the awareness of families about the negative consequences of CL, in addition to promoting policies that favour the creation of quality jobs that reduce labour precariousness of parents and guardians. Therefore, mitigating the effects of the COVID-19 pandemic, both now and in the future, the right decisions must be made regarding socio-economic and child protection policies in order to contribute to the well-being

of families and C&As in the short term and to also produce long-lasting, positive effects in the long term.

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