



## **Argentina: Ghost of Crises Past**

Argentina is no stranger to economic crises. In 2001, the Argentine economy hit rock bottom after a decade of aggressive free market policies, a strict exchange rate that pegged the peso to the dollar and unmet expectations of future economic growth. About 25 percent of the population was suddenly unemployed. Savings disappeared as the value of Argentina's currency plummeted, and formerly middle class people resorted to begging on the street for food. During the throes of the crisis, nearly 60 percent of Argentines were living at or below poverty level.<sup>1</sup>

Less than 10 years have passed since then, and Argentines find themselves in the midst of another economic crisis after six years of unprecedented growth. The impact of the recent global economic downturn may feel mild compared to the shocking economic devastation of a few years ago, but while the onslaught of this crisis is not nearly as severe as that in 2001, Argentine women now face a new set of difficulties.

### *Wealth Gap*

Argentina is affected by extreme economic inequality. The richest ten percent of Argentines earn more than 40 percent of the total national income, while the poorest ten percent earn barely 1 percent.<sup>2</sup> This inequality affects everyone, but women make up the majority of Argentina's poor and experience additional disparities in wages and job availability.

On average Argentine women earn nearly 30 percent less than men for doing the same work; some studies put this gender wage gap as high as 46 percent.<sup>3</sup> Many women work in domestic services, which pay less than jobs in industries typically dominated by men, or in the informal sector, where employees typically earn far less than registered workers and also lack benefits, job security, and other protections.

Despite these disparities, Argentine women are advancing in education, access to finance, and property ownership—all indicators of increasing gender equity. More women are enrolled in school than men,<sup>4</sup> and more women between the ages of 25-49 have completed a university education.<sup>5</sup> The Argentine government has also introduced new social services to support women, including public daycare centers for the children of working mothers.<sup>6</sup>

### *Service Work and Beyond*



Argentina has the highest rate of women working in the service industry in all of Latin America. In fact, the service industry—which includes jobs in sectors ranging from domestic service to healthcare to education—constitutes 88 percent of female employment in the country.

Domestic workers in particular face a range of inequities, many of which are made worse by the current economic crisis. Jobs in domestic work are vulnerable to unpredictable hours and layoffs, and unless the domestic workers are hired through an outside company, they usually do not receive health care, retirement pensions, or other benefits. In addition, since domestic work takes place in the private confines of the home, domestic workers can be subject to violence, sexual abuse, and exploitation.

### *Female Entrepreneurs*

There is a growing number of successful Argentine businesswomen working in top corporate positions and managing budgets in the millions.<sup>7</sup> Still, fewer than three percent of women own small businesses, and only one percent own businesses with 6 or more employees.<sup>8</sup> Argentina is also an especially difficult environment for a female entrepreneur. In a study that ranked the ease at which women around the world can launch their enterprises, Argentina ranks at an unimpressive 109th (compared to 66 for Colombia).<sup>9</sup>

Despite this, Argentine women are starting their own businesses at rates that surpass some countries in Europe and Asia.<sup>10</sup> For the most part, women must depend on personal funds—either their own savings or from assistance from family and friends—as men still have more access to investment capital and financial backing from institutions.<sup>11</sup>

### *Middle Class Woes*

Even before the 2001 economic crisis and the current global meltdown, the Argentine middle class had been struggling for decades with economic challenges ranging from hyperinflation to crippling debt and reduced government spending. During the 2001 crisis the middle class was labeled the “new poor.”

Government initiatives and increased government spending helped the country rebound from the 2001 crisis with a strong national growth rate and impressive reductions in poverty, particularly for women and girls. For example, in the case of girls age 17 or younger, poverty fell from 60 percent to about 20 percent.<sup>12</sup> In addition, government investments in infrastructure and social programs benefited the middle class relieved some of the burden, and put the country in a stronger position to weather the current crisis.



Despite these efforts, the current crisis has again led to a significant increase in unemployment for the middle class. Three out of four Argentines who looked for work in the past two years were unsuccessful.<sup>xiii</sup> Unemployment has been a particular challenge for women, and especially young women, who are more than twice as likely to be unemployed than the national average.<sup>xiv</sup>

### *Unions*

Argentina has a long history of strong unions dating back to the 1800s. Trade unions and their leadership bargain with employers to secure higher wages and more comprehensive workers rights, including protections associated with hiring, firing and safety. About 30 percent of the national workforce is unionized (compared to the U.S.'s 12 percent), and some professions, such as teaching, have about 55 percent unionization.<sup>xv</sup>

Argentine law includes quotas for women's participation in unions, which has allowed women to take a larger role in decision-making.<sup>xvi</sup> Women-led unions have been around since the mid-20<sup>th</sup> century, and gained strength in the 1980s as Argentina transitioned to democracy after seven years of military rule. Women-led unions fought for women's rights and equality throughout society, from the workplace to the home. Some unions advocate for wages and retirement benefits for housewives, while others fight gender discrimination in the workplace and in unions themselves.<sup>xvii</sup> Ten unions in the country exist for domestic workers.<sup>xviii</sup> Recent reports note that women-led unions have gained power in some traditionally male-dominated industries, while others in nontraditional sectors, such as the sex industry, have unionized to call for more workers rights.

### *Looking Ahead*

More women than ever before are in positions of power in Argentina. Besides President Cristina Fernandez de Kirchner, there are two women judges on the Supreme Court and a number of women in charge of government ministries historically led by men, such as the Ministry of Defense.

The National Bank of Argentina recently implemented economic programs and policies that specifically support women.<sup>xix</sup> Policies aim to create a fair distribution of wages, reduce poverty, increase access to education and health services, and promote laws and programs to prevent violence against women and assist those victims of gender-based violence.<sup>xx</sup> Yet most of this progress has been made at the national level and in large cities—versus the provincial regions, where women still struggle with inequality, violence, and lack of access to services.<sup>xxi</sup>



Argentina has achieved 98% percent literacy,<sup>xxii</sup> and there have been numerous initiatives to support women's education. For instance, thanks to an increase in government scholarships specifically for women, fully 37 percent of students in the country's 2,000 vocational schools are women. Since the crisis hit, there has also been an increase in the number of women pursuing work in professions traditionally held by men, including engineering, automotive and electrical services.<sup>xxiii</sup> As part of the effort to combat poverty, President Kirchner recently signed a welfare law that provides a cash allowance to families with children. It is a government cash benefit payable to parents with children 18 years of age and younger with the conditions that children receive regular checkups and attend school.<sup>xxiv</sup>

Ultimately, Argentine women face the daunting task of overcoming a major wealth disparity along with other systemic barriers to financial independence and gender equity. But despite continual struggles and some pessimism during this period of recovery from the economic crisis,<sup>xxv</sup> there has been definite progress toward gender equality and overall empowerment for women in Argentina.

*Published by the International Museum of Women on November 15, 2010 as part of Focusing on Latin America. Special thanks to research assistant Catherine M. Bartch.*

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<sup>1</sup> Blake, Charles H. (2008) *Politics in Latin America*. New York: Houghton Mifflin Company, pg. 136

<sup>2</sup> ECLAC, Statistical Yearbook for Latin America and the Caribbean, pg. 67

<sup>3</sup> Abeldo, Anahí. "Brecha Salarial: La mujer gana hasta 29% menos" 6 Dec 2009. IECO/Clarín.com. [http://www.ieco.clarin.com/economia/Brecha-mujer-gana\\_0\\_82500032.html](http://www.ieco.clarin.com/economia/Brecha-mujer-gana_0_82500032.html). and Kliksberg, Bernardo, Economist, principal asesor PNUD para America Latina. "A las mujeres no les va bien en América Latina". 20 May 2009. Accessed September 2010. He writes they earn only 54% of what men make.

<sup>4</sup> UNDP Development Reports.

<sup>5</sup> OECD, SIGI Index

<sup>6</sup> UN General Assembly. Committee on Elimination of Discrimination Against Women 926<sup>th</sup> and 927<sup>th</sup> meetings. Despite Recent Transformational Upheaval, Argentina entrenches women's convention". 13 July 2010. <http://www.un.org/News/Press/docs/2010/wom1810.doc.htm>.

<sup>7</sup> Martínez, Oscar "Las mujeres manejan los millones" 28 Feb 2010. *El Clarín*. [http://www.ieco.clarin.com/empresas/mujeres-manejan-millones\\_0\\_107700028.html](http://www.ieco.clarin.com/empresas/mujeres-manejan-millones_0_107700028.html)

<sup>8</sup> Heller, Lidia. (2010) "Mujeres Emprendedoras en América Latina y El Caribe: realidades, obstáculos y desafíos". CEPAL, Mujer y Desarrollo Serie. Santiago de Chile, 2010.

<sup>9</sup> Heller, Lidia. (2010) "Mujeres Emprendedoras en América Latina y El Caribe: realidades, obstáculos y desafíos". CEPAL, Mujer y Desarrollo Serie. Santiago de Chile, 2010. Global Entrepreneurship Monitor, 2007., pg. 32

<sup>10</sup> Heller, Lidia. (2010) "Mujeres Emprendedoras en América Latina y El Caribe: realidades, obstáculos y desafíos". CEPAL, Mujer y Desarrollo Serie. Santiago de Chile, 2010. Global Entrepreneurship Monitor, 2007.

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<sup>11</sup> Heller, Lidia. (2010) "Mujeres Emprendedoras en América Latina y El Caribe: realidades, obstáculos y desafíos". CEPAL, Mujer y Desarrollo Serie. Santiago de Chile, 2010.

<sup>12</sup> UN General Assembly. Committee on Elimination of Discrimination Against Women 926<sup>th</sup> and 927<sup>th</sup> meetings. Despite Recent Transformational Upheaval, Argentina entrenches women's convention". 13 July 2010. As noted by Mariano Luongo, National Director of the Ministry of Social Development. <http://www.un.org/News/Press/docs/2010/wom1810.doc.htm>.

<sup>xiii</sup> Bermudéz, Ismael. "El 75 por ciento de los que salen buscar empleo no lo consigue." 21 Diciembre 2009. <http://edant.clarin.com/diario/2009/12/21/ELPAIS/P-02105294.htm> Accessed August 2010.

<sup>xiv</sup> UN General Assembly. Committee on Elimination of Discrimination Against Women 926<sup>th</sup> and 927<sup>th</sup> meetings. Despite Recent Transformational Upheaval, Argentina entrenches women's convention". 13 July 2010. <http://www.un.org/News/Press/docs/2010/wom1810.doc.htm>.

<sup>xv</sup> Murillo, Victoria; Tommasi, Mariano; Ronconi, Lucas; and Sanguinetti, Juan. "The Economic Effects of Unions in Latin America: Teachers' Unions and Education in Argentina" September 2002. Inter-American Development Bank, Research Network Working Paper, R-463.

<sup>xvi</sup> UN General Assembly. Committee on Elimination of Discrimination Against Women 926<sup>th</sup> and 927<sup>th</sup> meetings. Despite Recent Transformational Upheaval, Argentina entrenches women's convention". 13 July 2010. <http://www.un.org/News/Press/docs/2010/wom1810.doc.htm>.

<sup>xvii</sup> Unidad de Investigación de Argentina, Proyecto Mujeres Latinoamericanas en Cifras, FLACSO Programa Argentina, 1993. <http://www.eurosur.org/FLACSO/mujeres/argentina/orga-1.htm> accessed 20 Oct 2010.

<sup>xviii</sup> UN General Assembly. Committee on Elimination of Discrimination Against Women 926<sup>th</sup> and 927<sup>th</sup> meetings. Despite Recent Transformational Upheaval, Argentina entrenches women's convention". 13 July 2010. <http://www.un.org/News/Press/docs/2010/wom1810.doc.htm>.

<sup>xix</sup> UN General Assembly. Committee on Elimination of Discrimination Against Women 926<sup>th</sup> and 927<sup>th</sup> meetings. "Despite Recent Transformational Upheaval, Argentina entrenches women's convention". 13 July 2010. <http://www.un.org/News/Press/docs/2010/wom1810.doc.htm>.

<sup>xx</sup> UN General Assembly. Committee on Elimination of Discrimination Against Women 926<sup>th</sup> and 927<sup>th</sup> meetings. "Despite Recent Transformational Upheaval, Argentina entrenches women's convention". 13 July 2010. <http://www.un.org/News/Press/docs/2010/wom1810.doc.htm>.

<sup>xxi</sup> UN General Assembly. Committee on Elimination of Discrimination Against Women 926<sup>th</sup> and 927<sup>th</sup> meetings. Despite Recent Transformational Upheaval, Argentina entrenches women's convention". 13 July 2010. <http://www.un.org/News/Press/docs/2010/wom1810.doc.htm>.

<sup>xxii</sup> World Bank Millenium Development Goal, as of 2008, [http://ddp-ext.worldbank.org/ext/ddpreports/ViewSharedReport?&CF=&REPORT\\_ID=1336&REQUEST\\_TYPE=VIEWADVANCED](http://ddp-ext.worldbank.org/ext/ddpreports/ViewSharedReport?&CF=&REPORT_ID=1336&REQUEST_TYPE=VIEWADVANCED), accessed 20 Oct 2010.

<sup>xxiii</sup> UN General Assembly. Committee on Elimination of Discrimination Against Women 926<sup>th</sup> and 927<sup>th</sup> meetings. Despite Recent Transformational Upheaval, Argentina entrenches women's convention". 13 July 2010. As reported by Lidia Mondelo, the President of the National Council of Women in Argentina. <http://www.un.org/News/Press/docs/2010/wom1810.doc.htm>.

<sup>xxiv</sup> "Universal Child Allowance announced in Argentina", see [www.nomaspobreza.org.arm](http://www.nomaspobreza.org.arm)

<sup>xxv</sup> "Las expectativas economicas crecieron 16% en Abril" [http://www.ieco.clarin.com/empleos/expectativas-economicas-crecieron-abril\\_0\\_134400029.html](http://www.ieco.clarin.com/empleos/expectativas-economicas-crecieron-abril_0_134400029.html)