

5-8-1998

## Argentine Government Acknowledges Economic Policies Exclude Many

LADB Staff

Follow this and additional works at: <https://digitalrepository.unm.edu/notisur>

---

### Recommended Citation

LADB Staff. "Argentine Government Acknowledges Economic Policies Exclude Many." (1998). <https://digitalrepository.unm.edu/notisur/12501>

This Article is brought to you for free and open access by the Latin America Digital Beat (LADB) at UNM Digital Repository. It has been accepted for inclusion in NotiSur by an authorized administrator of UNM Digital Repository. For more information, please contact [amywinter@unm.edu](mailto:amywinter@unm.edu).

## **Argentine Government Acknowledges Economic Policies Exclude Many**

by LADB Staff

Category/Department: Argentina

Published: 1998-05-08

Argentines are increasingly angry at the downside of President Carlos Saul Menem's economic model. In addition, government efforts to make the labor laws more "flexible" are opposed by sectors of both labor and management. And, after more than a year, teachers continue their fast in front of Congress demanding pay increases and more funds for education. On March 2, President Menem acknowledged that many Argentines have not benefitted from his free-market economic model, and he promised to help them before next year's elections. "There are sectors that are lagging and feel excluded," Menem said.

Less than a decade ago, Argentines were staggering under hyperinflation that ran about 2,800% per year. Today the figure is less than 1%. While grateful that inflation has been curbed, people are no longer willing to accept price stability at any cost. A poll published in early March showed a majority of Argentines cite resolving social problems, especially unemployment, as their top priority. In the poll by the firm Sofres Ibope, 52.2% of those interviewed wanted the government to "provide a solution to social problems as soon as possible, even if that means losing economic stability."

"That does not mean people do not value stability but they no longer accept the extortion of putting up with anything in exchange for it," said Enrique Zuleta, president of Sofres Ibope. In the survey, 44% of respondents described the government as bad or very bad, and 31.4% rated it average, while Menem's economic policy was considered bad or very bad by 49.8% and average by 30.1%. Of those surveyed, 82.5% opposed a constitutional amendment that would allow Menem to run for a third term.

The influential Catholic Church has spoken out repeatedly against the negative effects of government economic policies. The church position was described by Cardinal Raul Primatesta, president of the social ministry team of the Argentine Bishops' Conference, following a meeting with Labor Minister Antonio Ernan Gonzales regarding the administration's proposed labor legislation. The bishops told the minister they favor legislation that will strengthen job stability and ensure workers benefits, and they criticized labor agreements called "junk contracts," which "are renewed every three months, year after year, maintaining workers insecurity and denying them social benefits."

### ***Government introduces more "flexible" labor code***

The government sent its proposal to reform the labor code to Congress in mid-March. The initiative has the support of the Confederacion General del Trabajo (CGT), the nation's largest labor organization, but is opposed by other labor organizations and a significant sector of business leaders, although for different reasons. The bill was drafted as a response to unemployment, which hit more than 18% of the economically active population in 1997 and is still at 13.8%. The administration says the bill will increase employment and reduce poverty as well as improve job

quality. It would eliminate the "junk contracts," change layoff provisions, and renegotiate labor contracts.

Many employers oppose a provision of the bill that leaves the power to negotiate labor contracts in the hands of union representatives rather than allowing each business to negotiate a separate contract. They also oppose the formula for determining severance pay and an anti-discrimination clause. On April 24, the leading industrial chambers sent their own proposal to Congress, which drastically reduces severance pay and other benefits such as the aguinaldo, an extra pay period at Christmas.

Meanwhile, workers complain that even without further liberalization of the labor code, less full-time work is available. Argentine economist Hector Walter Valle, president of Fundacion de Investigaciones para el Desarrollo (FIDE), said less than 40% of workers have full-time contracts. Part-time work has become so prevalent that job security is now a privilege of a minority of workers, he said. Fewer workers enjoy an eight-hour workday, severance pay, health benefits, and a salary that allows a family to improve its economic condition.

The number of workers excluded from the benefits of a growing economy is increasing as more workers find themselves underemployed, unable to find jobs, or out of work for long periods of time, if not permanently. Valle pointed out that an increase in real wages is not even under debate.

### *Teachers mark one-year anniversary of protest*

On April 2, teachers called a 24-hour general strike to demand salary increases and passage by Congress of a bill to increase school funding. The strike took place on the first anniversary of the erection of the "white tent of dignity" outside Congress in Buenos Aires. The teachers set up the tent and began their protest to demand that the government invest 6% of GDP rather than the present 3.7% to improve the "sad state of public education." This was the sixth call for a general strike since the protest began. In addition, throughout the past year, teachers have participated in a rotating fast to call attention to their demands (see NotiSur, 06/13/97 and 09/29/97).

Other than winning widespread public support for their cause, the teachers have seen little progress. A bill affecting the education budget has not made it through Congress. Just before last October's legislative elections, Menem promised the teachers salary increases that were implemented. Marta Maffei, head of the Confederacion de Trabajadores de la Educacion (CTERA), said the latest 24-hour strike received 95% support. She called on the government to end its efforts to change the Constitution to allow Menem another re-election bid and instead "to concern itself with the problems of the people." She said the macroeconomy was treating those running the government well, but "down here below, things are bad."

In the province of Buenos Aires, a teacher earns US\$380 dollars per month, but 66% of primary-school teachers in the rest of the country earn even less than that. The government estimates an average family needs a minimum of US\$1,378 a month to get by. Not even the highest-paid university professors earn that much, which means teachers are forced to take on additional teaching in other schools. Teacher Laura Ramallo considers herself lucky because she only works

in two schools, instead of four or five like many "taxi teachers," who hurry from one workplace to another to make ends meet. "I have more than 45 students in some courses," said Ramallo. "Quality education is impossible with so many kids packed into small classrooms. At one time we had to go to a nearby social club to hold class more comfortably." [Sources: The Miami Herald, 03/02/98; Inter Press Service, 03/09/98, 04/01/98; Notimex, 03/19/98, 04/02/98; CNN, 04/02/98; Clarin (Argentina), 03/10/98, 03/20/98, 03/29/98, 04/03/98, 04/06/98]

-- End --