

# Monetary transfers for children and adolescents in Argentina: Characteristics and coverage of a “System” with three components

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Recent Developments in the Role and Design of Social Protection Programmes.

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# This presentation...

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- Bertranou, F. and Maurizio, R. (2012) “Monetary transfers for children and adolescents in Argentina: Characteristics and coverage of a “System” with three components”, *Research Brief No.30*, International Policy Centre for Inclusive Growth – UNDP, Brasilia.
- Bertranou, F. and Maurizio, R. (2012). ‘Semi-conditional cash transfers in the form of family allowances for children and adolescents in the informal economy in Argentina’, *International Social Security Review*, Vol. 65, Issue 1 (January–March), 53–72.

# “System” before 2009

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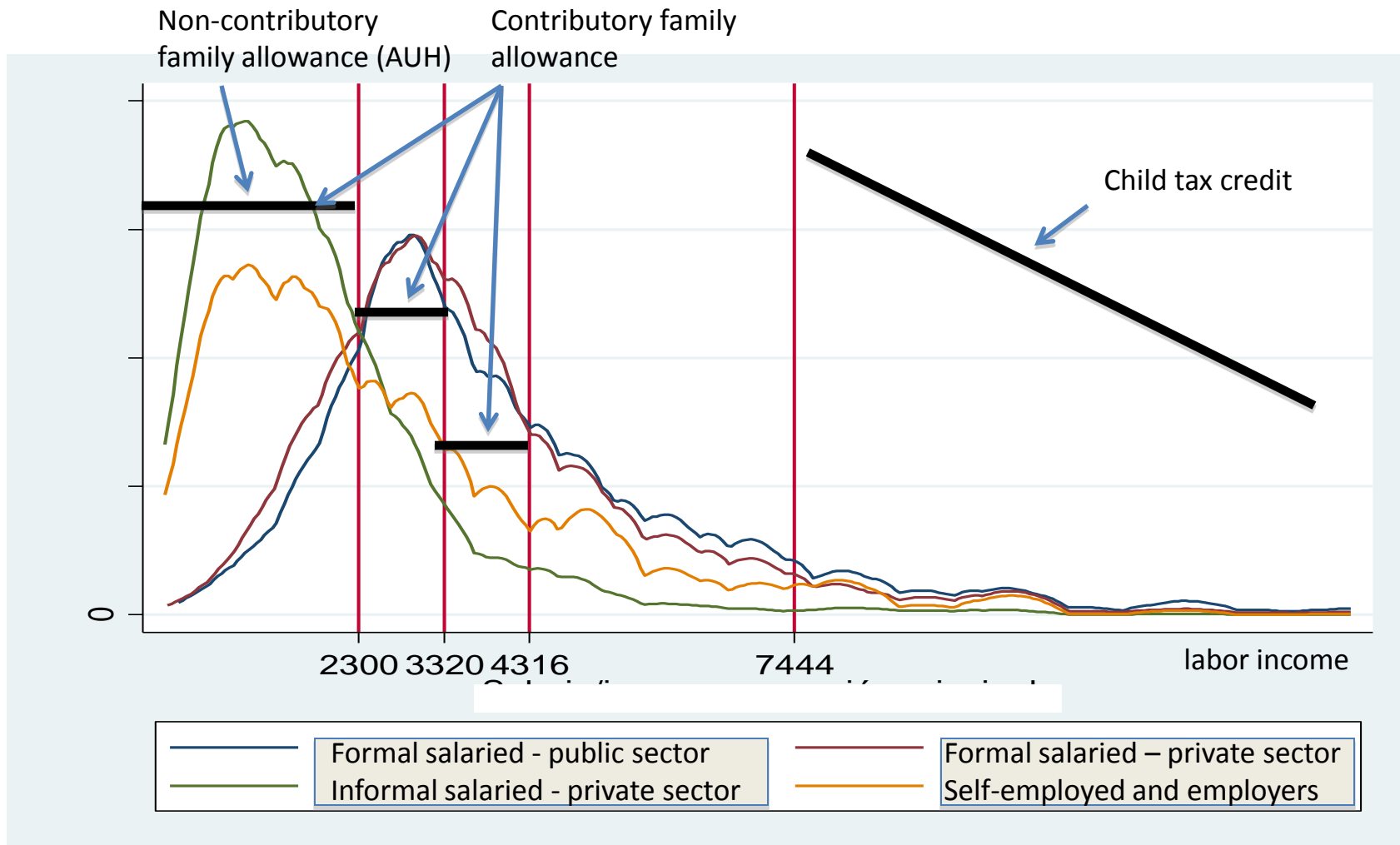
- Contributory scheme:
  - traditional family allowance program for workers in the private and public sector with salaries up to a threshold
  - Three level of benefits according to salary ranges
- Tax credit allowance
- Several cash-transfer programs administered by different institutions (MoL, MSD, Provinces, etc.)
  - Major programs:
    - *Jefes and Jefas de Hogar*: originated in the 2002 economic crisis for unemployed household heads
    - *Familias para la inclusión social*: originated in 2005 to transfer families with low employability opportunities from Jefes

# 2009 : major breakthrough

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- Most of the non-contributory programs aimed to provide income security to vulnerable families are merged into the **universal child allowance** (*AUH / Asignación Universal por Hijo*), which is a semi-conditional cash transfer (school attendance and health check-ups)
- The *AUH* is managed by the National Social Security Administration. Benefits match the amount of beneficiaries of the contributory family allowance program.
- Coverage is increased horizontal- and vertically by expanding the eligibility rules and raising the amount of cash transferred
- Coverage: children and adolescents in families belonging to the informal economy (earning less than a minimum wage), inactive adults without unemployment insurance, unemployed people without any social security benefit and those working in domestic work.

# Labor income distribution by employment status: Elegibility to AUH, family allowances and child tax credit 2011



**Table 2**  
**Beneficiaries and Coverage of Income transfer Programmes for Children and Adolescents in Argentina,**  
**Administrative Data 2008–2010**

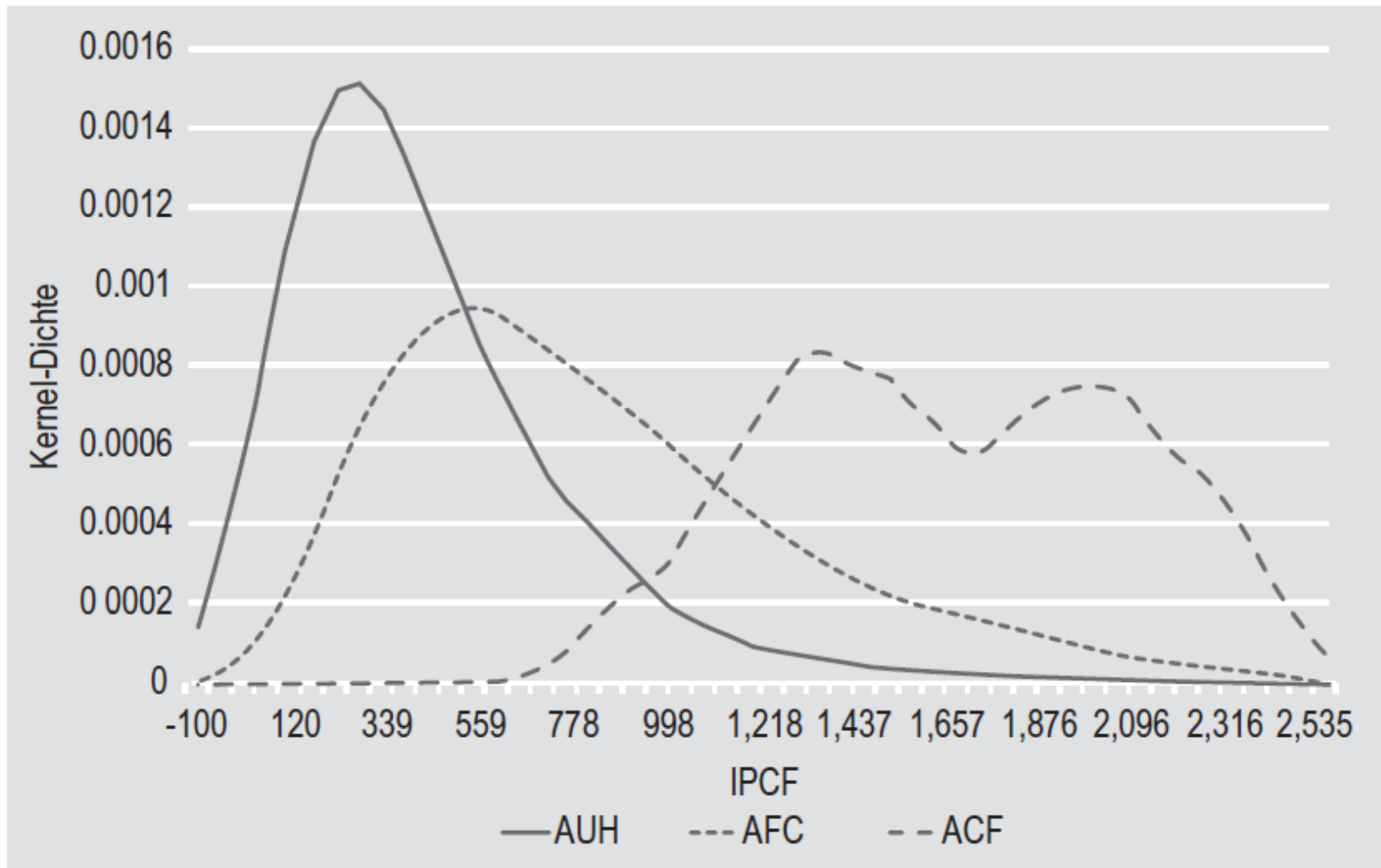
Component	Denomination	2008	2009	2010
Non-contributory	Universal Child Allowance (AUH)		3,361,505	3,516,733
	Families Programme <sup>(1)</sup>	1,766,808		
Contributory	Contributory Family Allowances (AFC) (a+b)	5,959,705	5,971,347	5,719,732
	<i>a. AFC Private Sector</i> <sup>(2)</sup>	3,950,705	3,844,348	3,538,713
	<i>b. AFC Public Sector</i> <sup>(3)</sup>	2,009,000	2,126,999	2,181,019
Tax credit	Fiscal deduction in tax on earnings (ACF)	613,678	664,946	668,323
	Total number of beneficiaries	8,340,191	9,997,798	9,904,788
	Total under 18 years of age	12,297,095	12,315,407	12,333,747
Coverage <sup>(4)</sup>		68%	81%	80%

Notes:

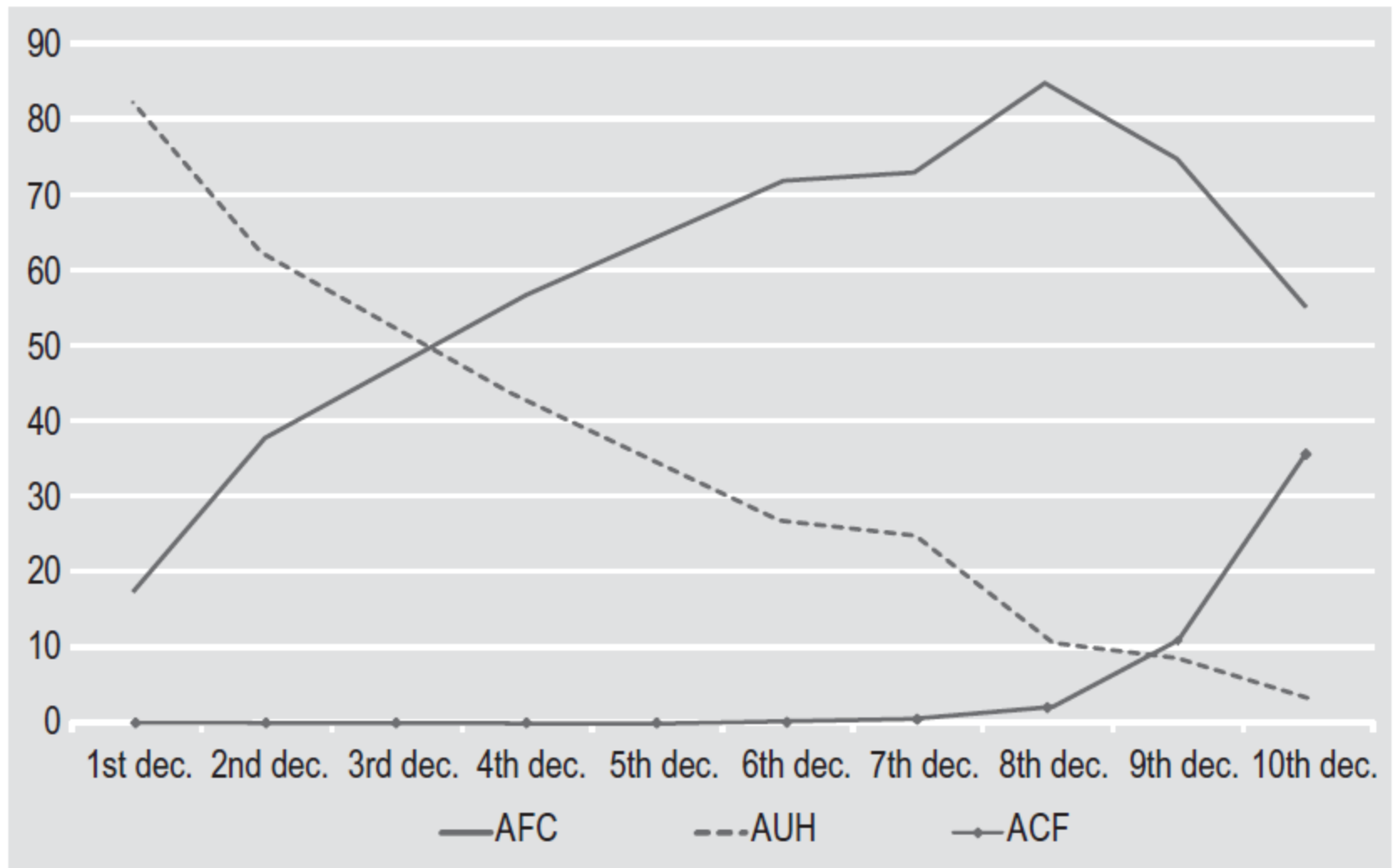
1. Beneficiaries—under 19 years of age—of the Families Programme administered by the Social Development Ministry.
2. Family allowances for private-sector workers.
3. Estimate based on trends in employment in the three levels of government (federal, provincial and municipal).
4. It does not distinguish potential small overlaps in components.

Source: Authors' own calculations based on various governmental statistical sources.

**Figure 1.** *Income distribution of beneficiaries of cash transfers for children and adolescents (Fourth trimester of 2009)*



**Figure 2.** *Distribution of households receiving cash transfers for children and adolescents by family income decile (Fourth trimester of 2009)*





# Performance

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- **Coverage.** Overall coverage of the cash transfer “system” increased more than 10 p.p. and has allowed to close substantially the coverage gap particularly for most vulnerable families
- **Administration.** Advances in program unification and standardization under the social security umbrella
- **Poverty.** Impact on extreme poverty, based on simulations, seems to be significant.
- **Labor market.** No disincentives for participating in the labor market or reduction of working hours of those who continue to be employed, or any of the members of the beneficiary households.
- Some minor labor supply effects for unskilled low paid women in domestic work.

# Challenges and concerns (1)

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- Fragmentation and stratification still persist in various dimensions (within the non-contributory and within the contributory schemes) creating coverage gaps.
  - Informal workers earning more than the minimum wage
  - Self-employed workers registered as “monotributista”
- Conditionalities compliance: how important is the lack of adequate supply of schools and health facilities a problem?

# Challenges and concerns (2)

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- Coordination and making compatible AUH with other cash transfer programs aiming to other goals (e.g. employability improvement) than providing income security
- A complete and effective information, monitoring and evaluation system has not been well developed yet
- Would a unified scheme (non-contributory, contributory and tax credit) perform better?

# Thank you!

