



**Pro-employment macroeconomic frameworks, sectoral strategies for employment creation and the informal economy.**

**A knowledge sharing workshop**

**Employment Policy Department, ILO Geneva**

**Geneva, 20-23 September 2011**

**Macroeconomic policy for full and productive employment and decent work for all. An analysis of the Argentine experience**

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# 1. Introduction: A tale of two decades

- Periods:

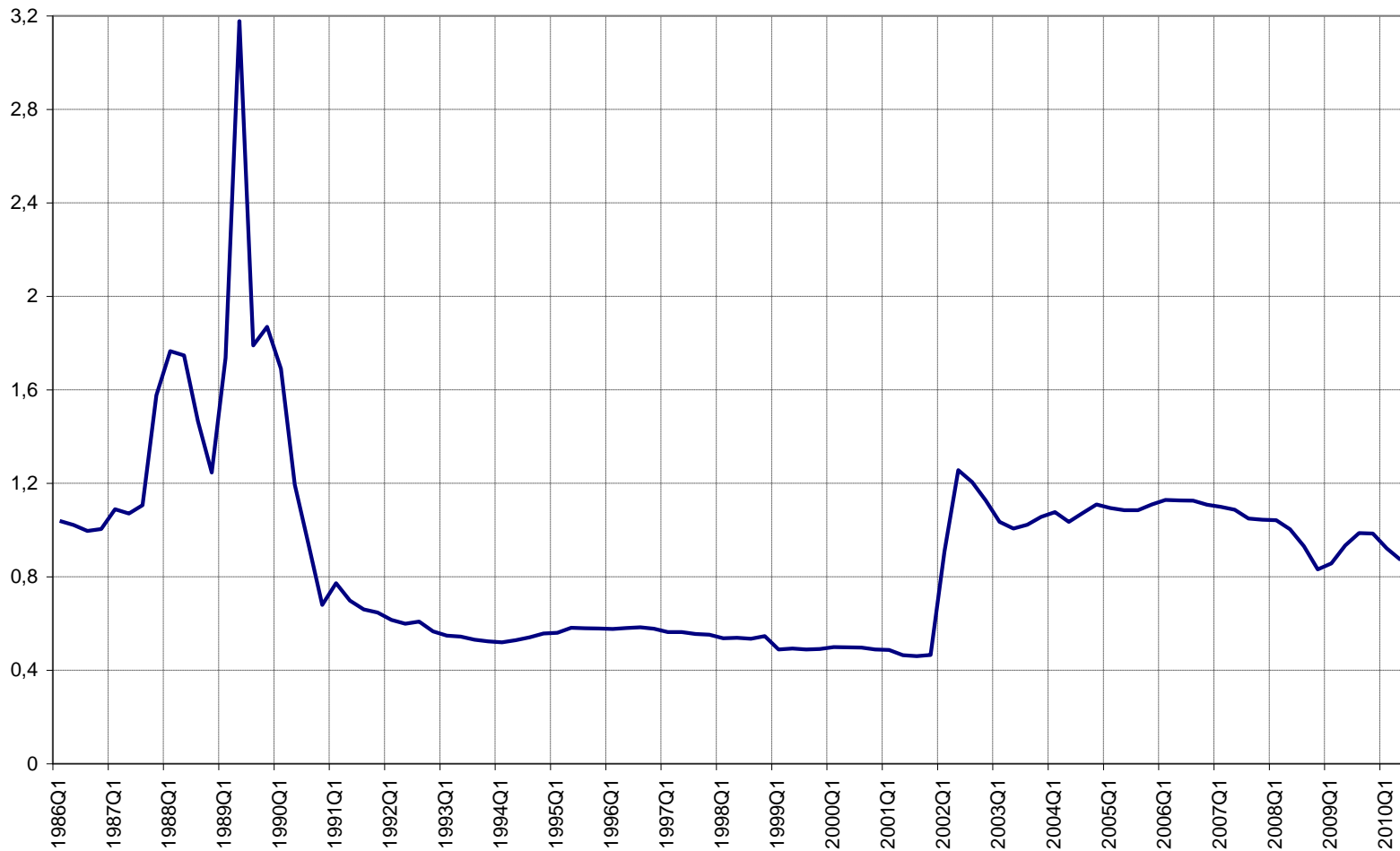
1	1981-82:	Debt crisis
	the eighties:	"Lost decade"
	1989-1990:	Two hyperinflations
2	1991-2001:	Hard peg ("Convertibility")
	2001-2002:	Crisis, default, devaluation
3	2003-2006:	New macropolicy setting (SCRER)
	2006 on:	Inflation, weakening of the SCRER model Global crisis

Graph 2.1. Seasonally-adjusted real GDP (in millions of pesos of 1993) and employment rate

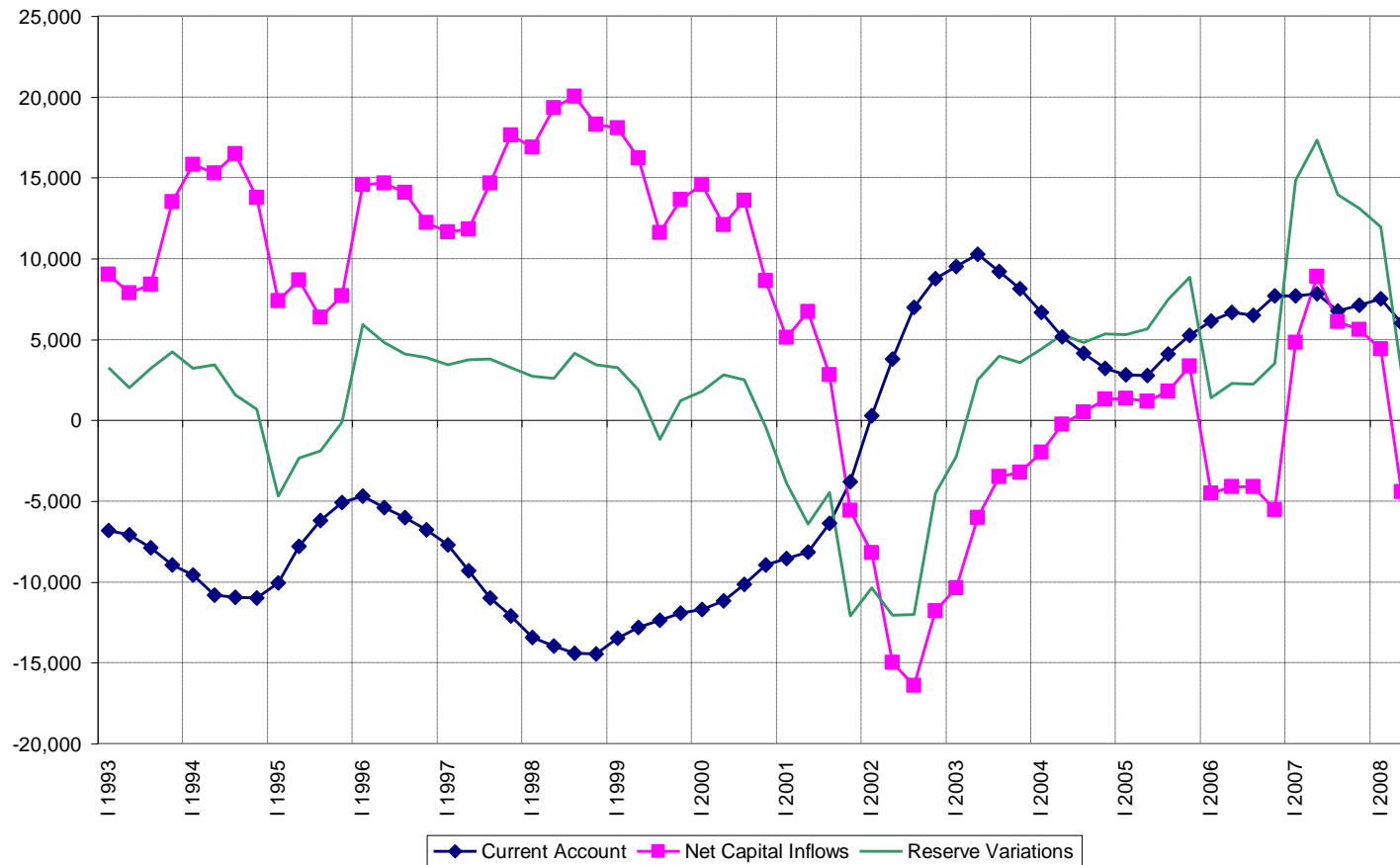


## **2. The Convertibility program and the labor market**

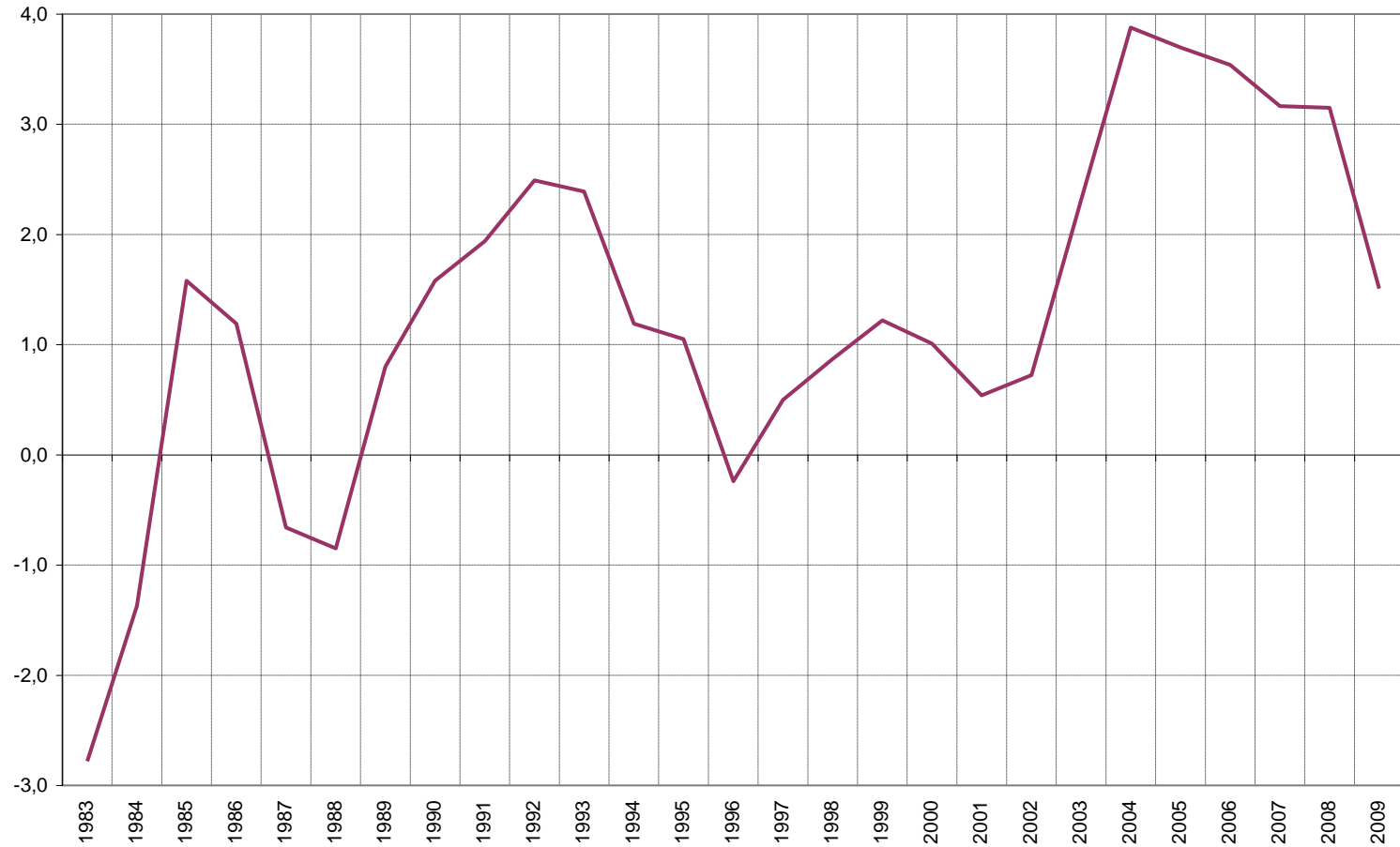
Graph 2.2. Multilateral real exchange rate (Second semester 1986 = 1).



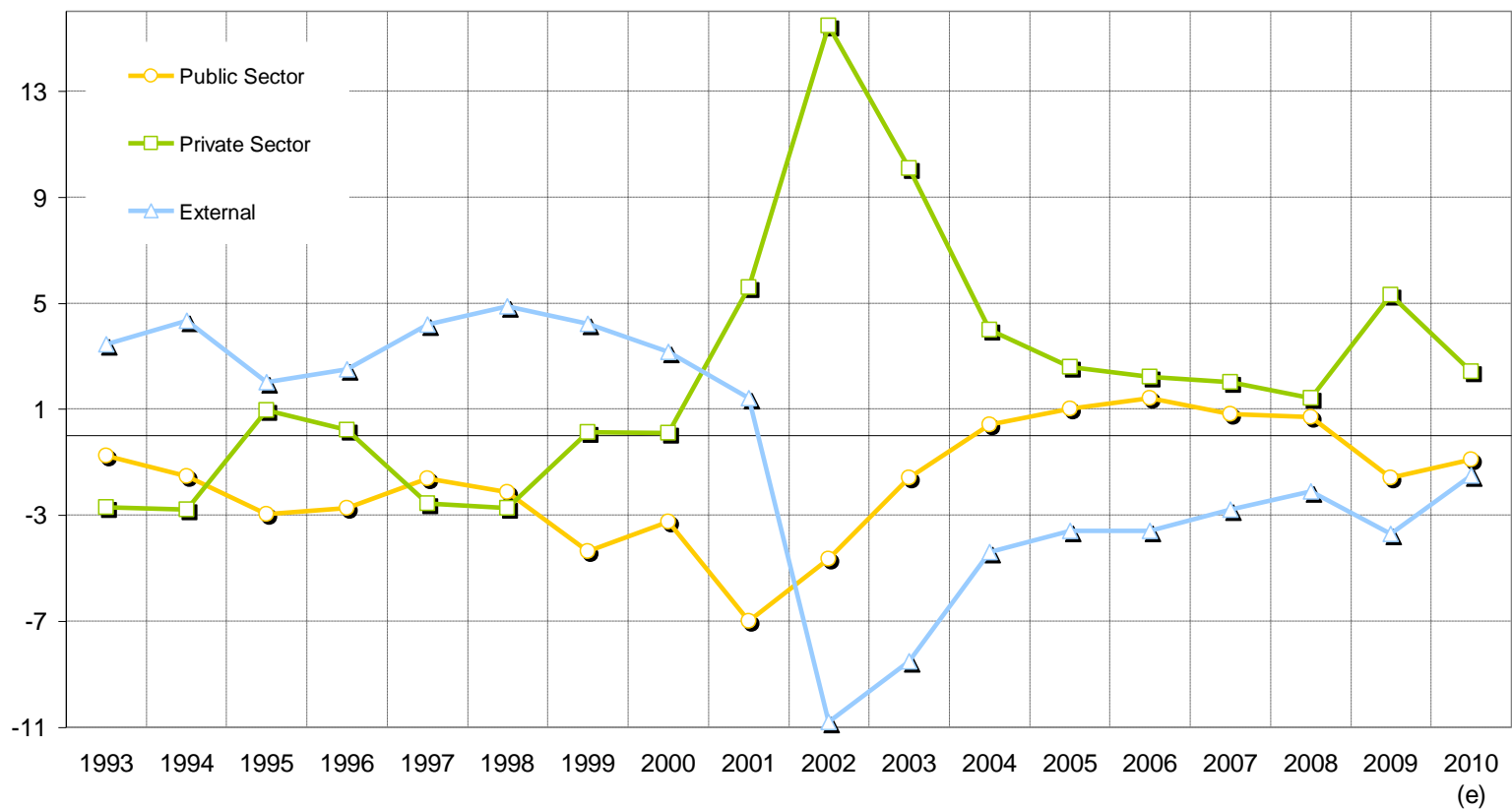
# Graph 2.3. Balance of Payments (Four quarters m.a. in millions of dollars)



# Graph 2.5. Primary result of the National Public Sector (% of GDP).



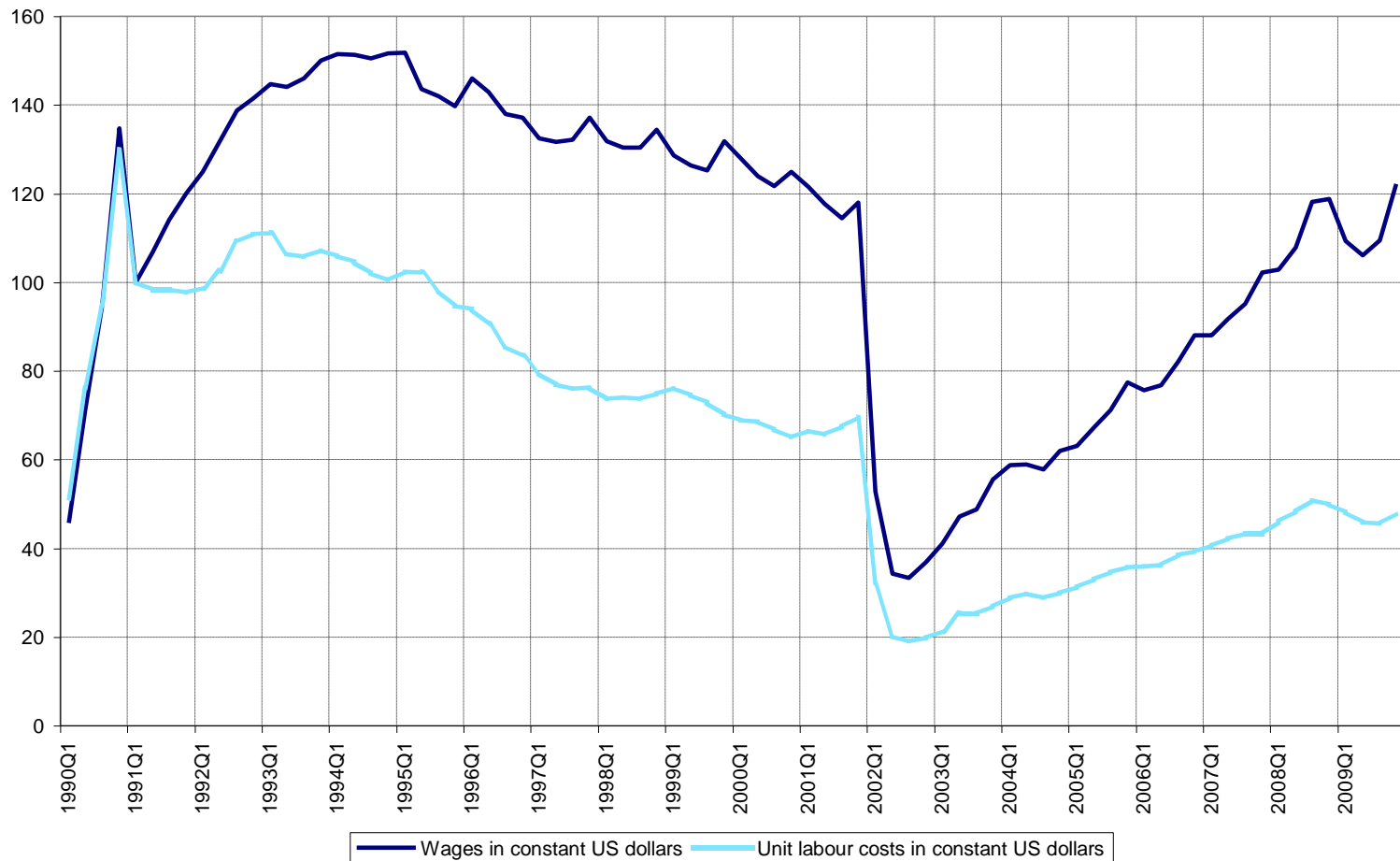
# Graph 2.6. Aggregate financial surpluses by sector (% of GDP)



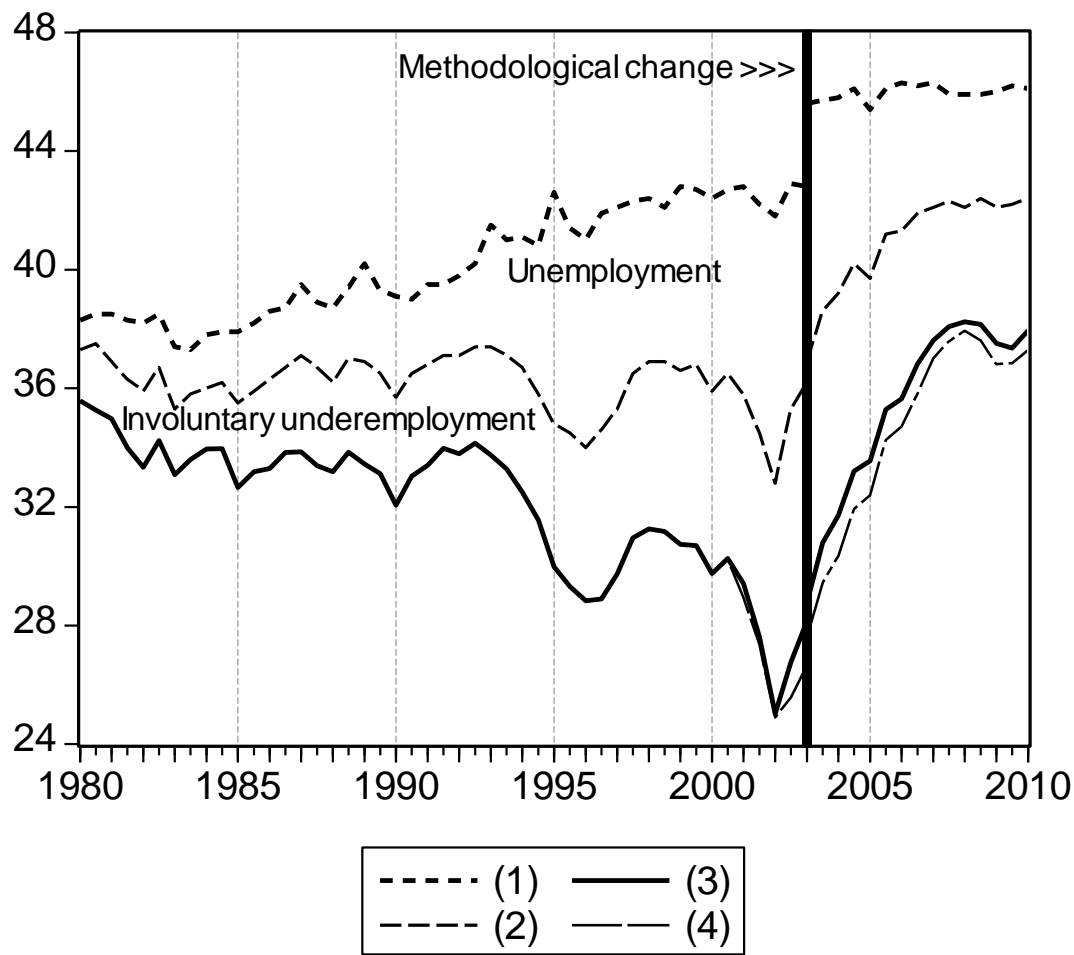


# The labor market in the nineties

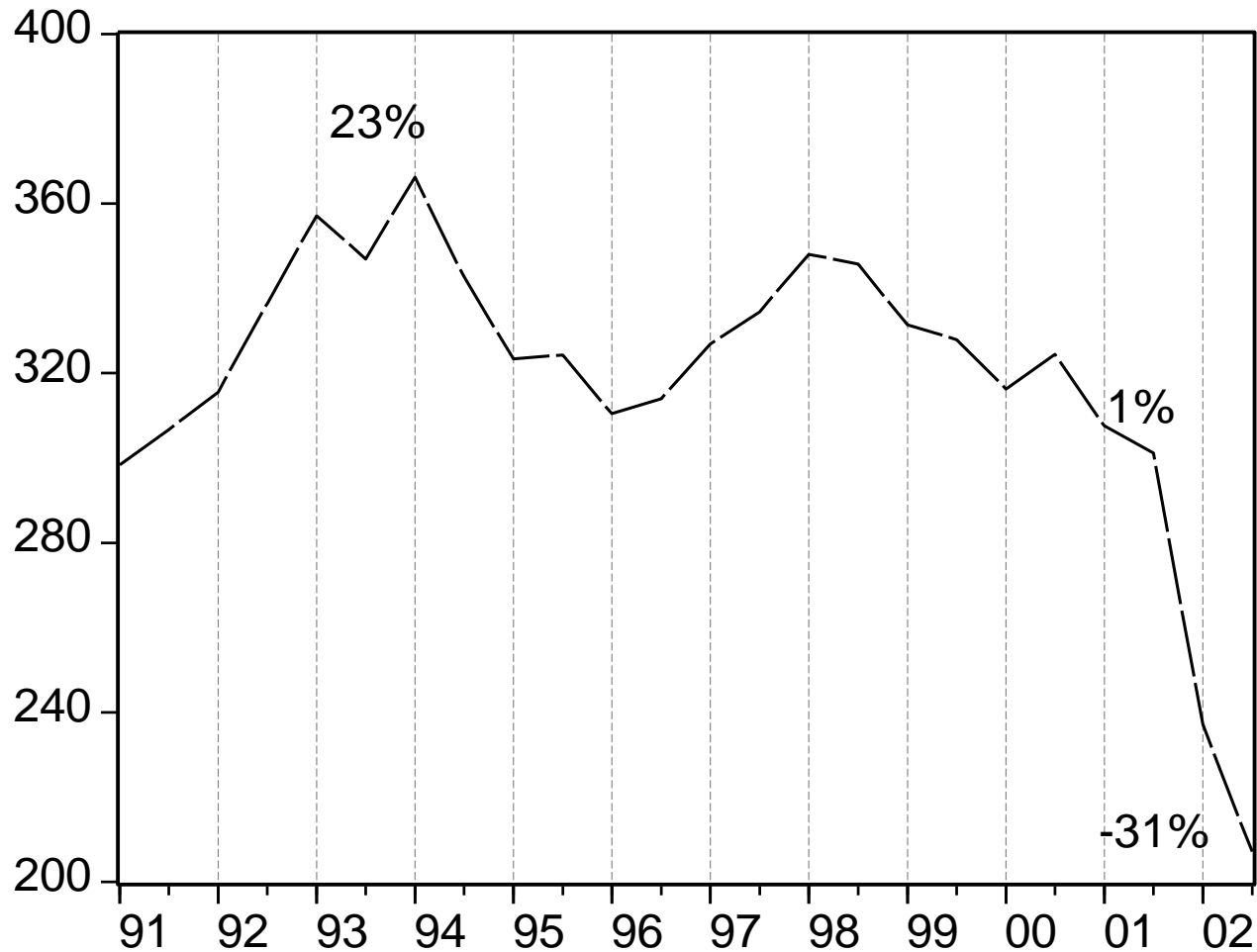
Graph 2.8. Average wage and unit labor costs in constant US dollars in the manufactures (first quarter of 1986=100)



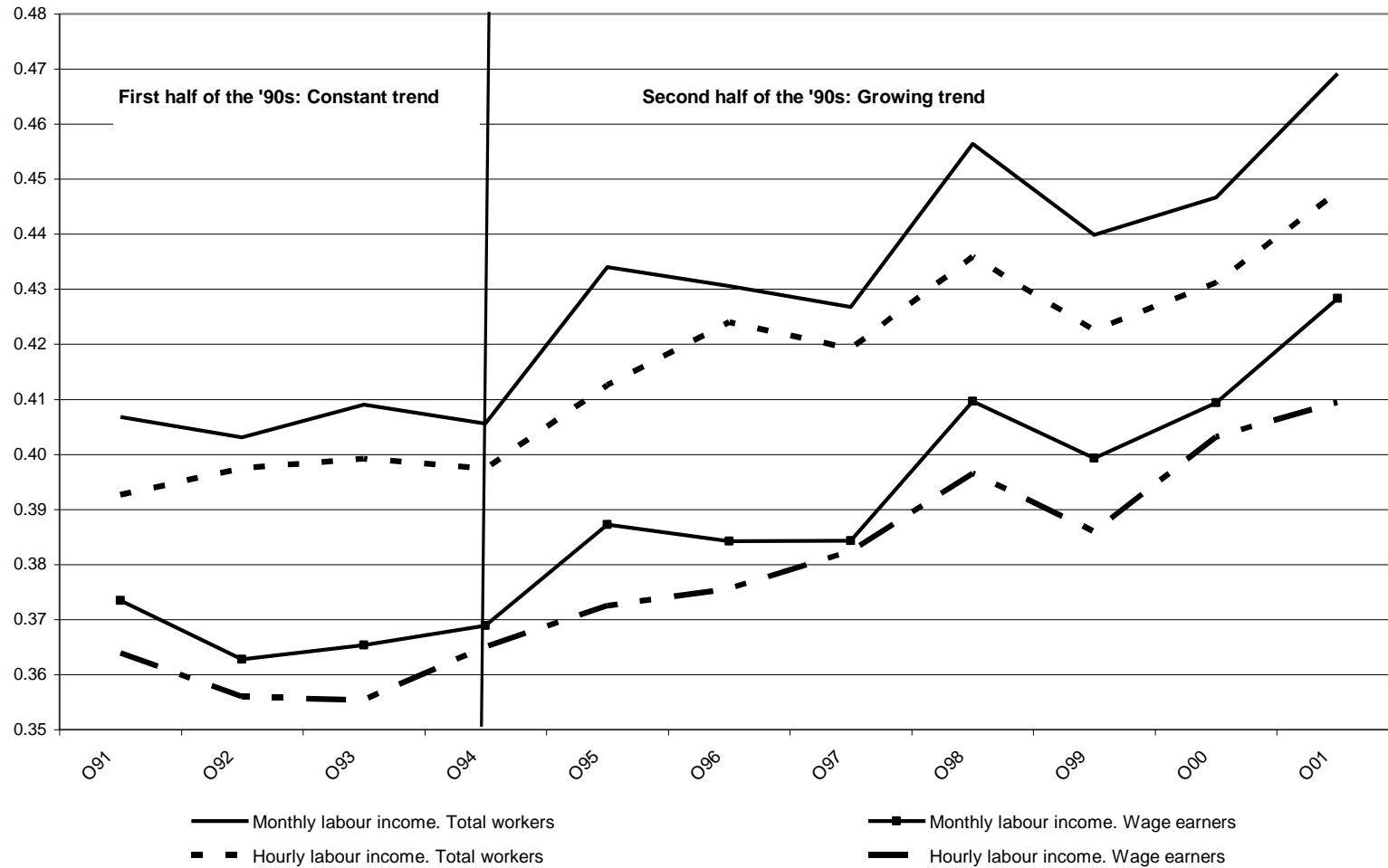
Graph 2.10. Labor market indicators: Participation rate, Employment rate, Employment rate excluding PJJHD; full-time employment rate excluding PJJHD (as % of total urban population).



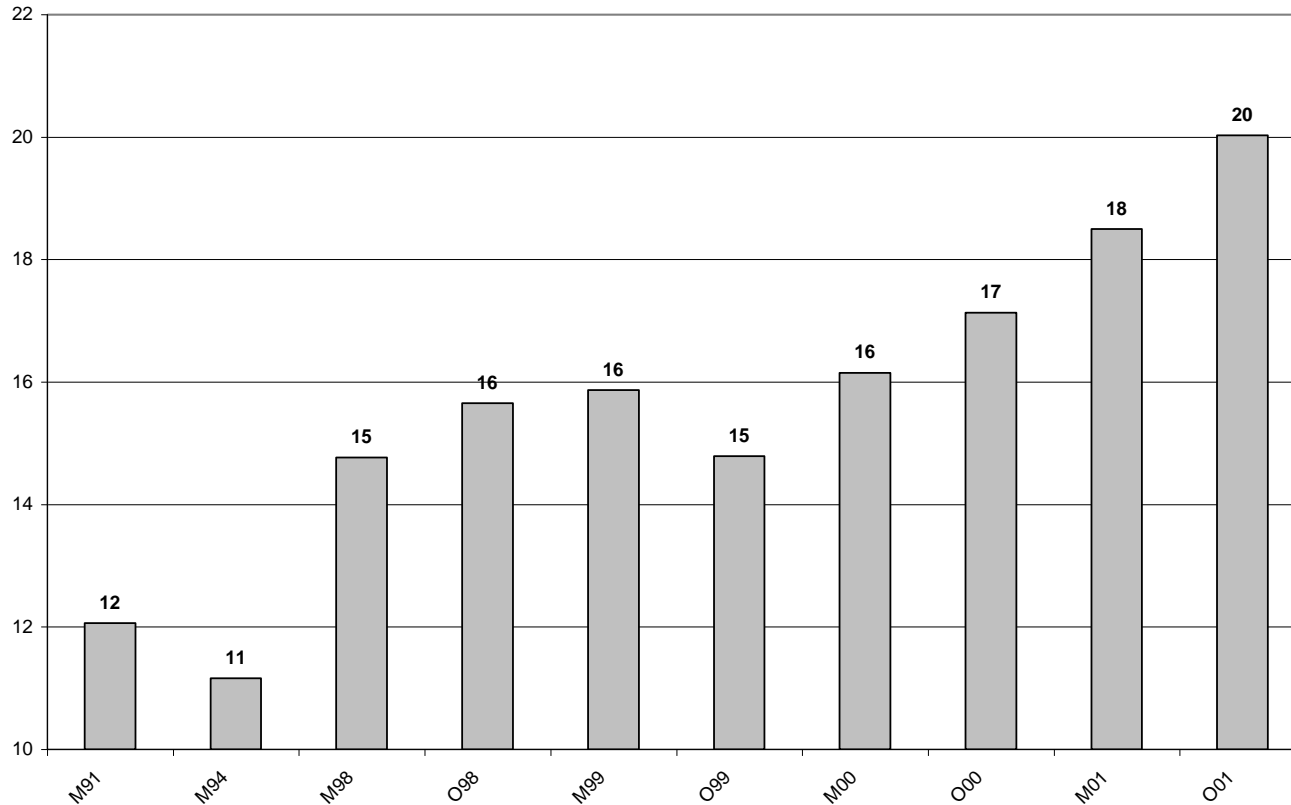
Graph 2.12. Real per capita family income (in pesos of May 1998) .



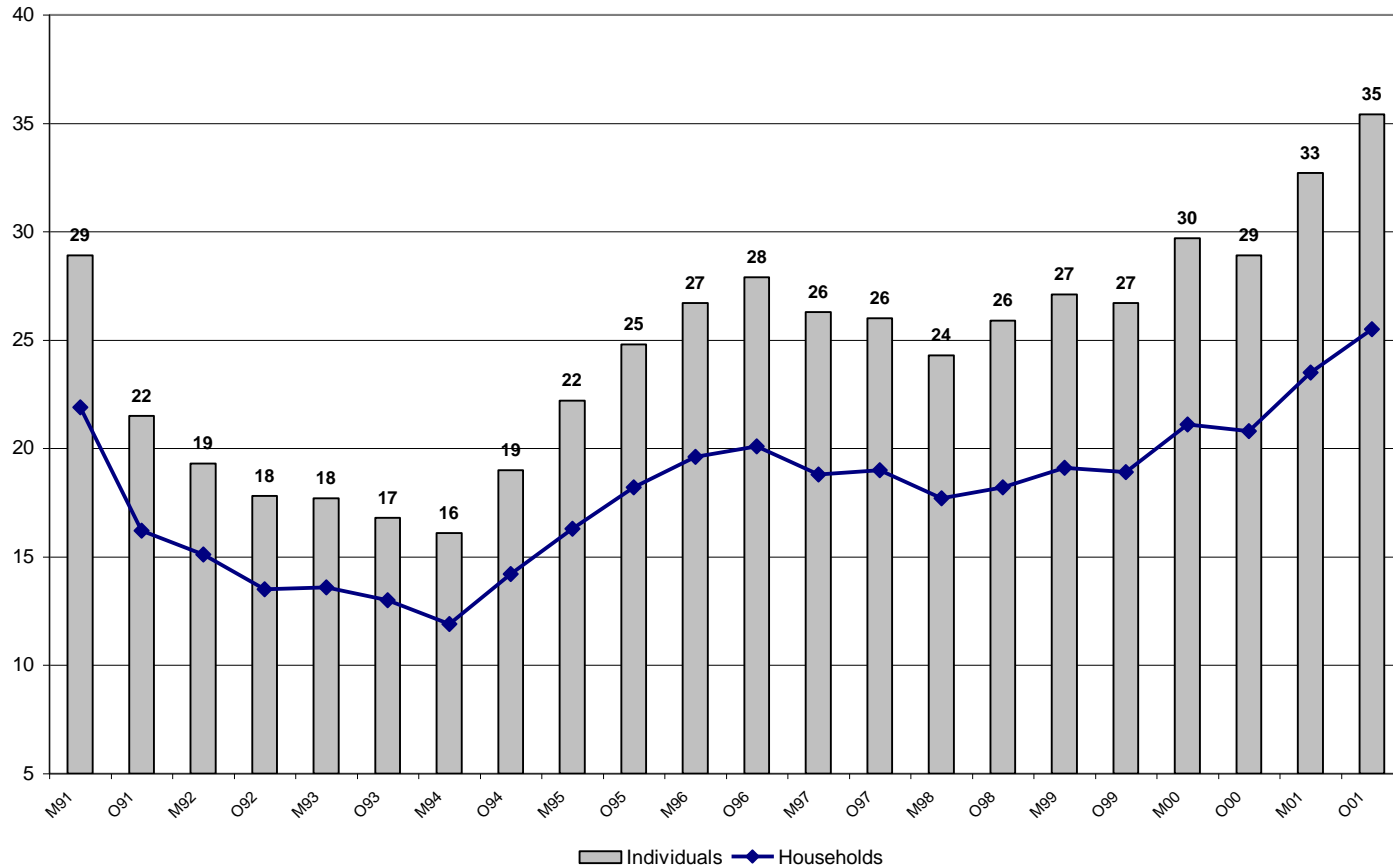
# Graph 2.13. Gini Indexes of labor incomes (Greater Buenos Aires, May 1991- October 2001)



Graph 2.14. Relationship of the per capita family income between the fifth and first quintiles (Greater Buenos Aires, May 1991- October 2001).



Graph 2.15. Poverty rates (Greater Buenos Aires, May 1991- October 2001).



### **3. Macroeconomic policies and the labor market in the 2000's**

*A radically new scenario*

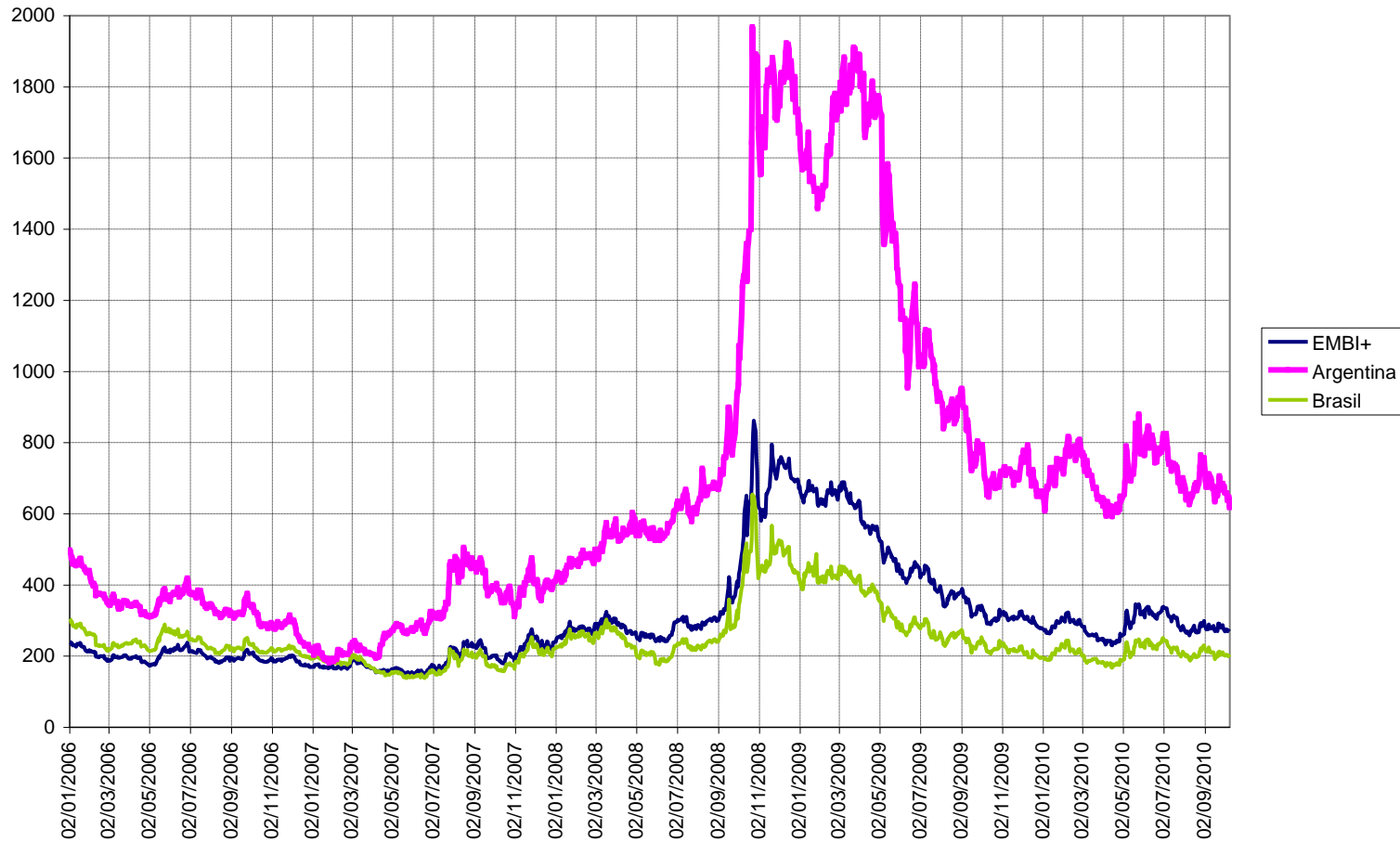
# *Macroeconomic policies after 2006: the SCRER framework looses coherence*

Table 3.1  
CPI annual rates of inflation (%).

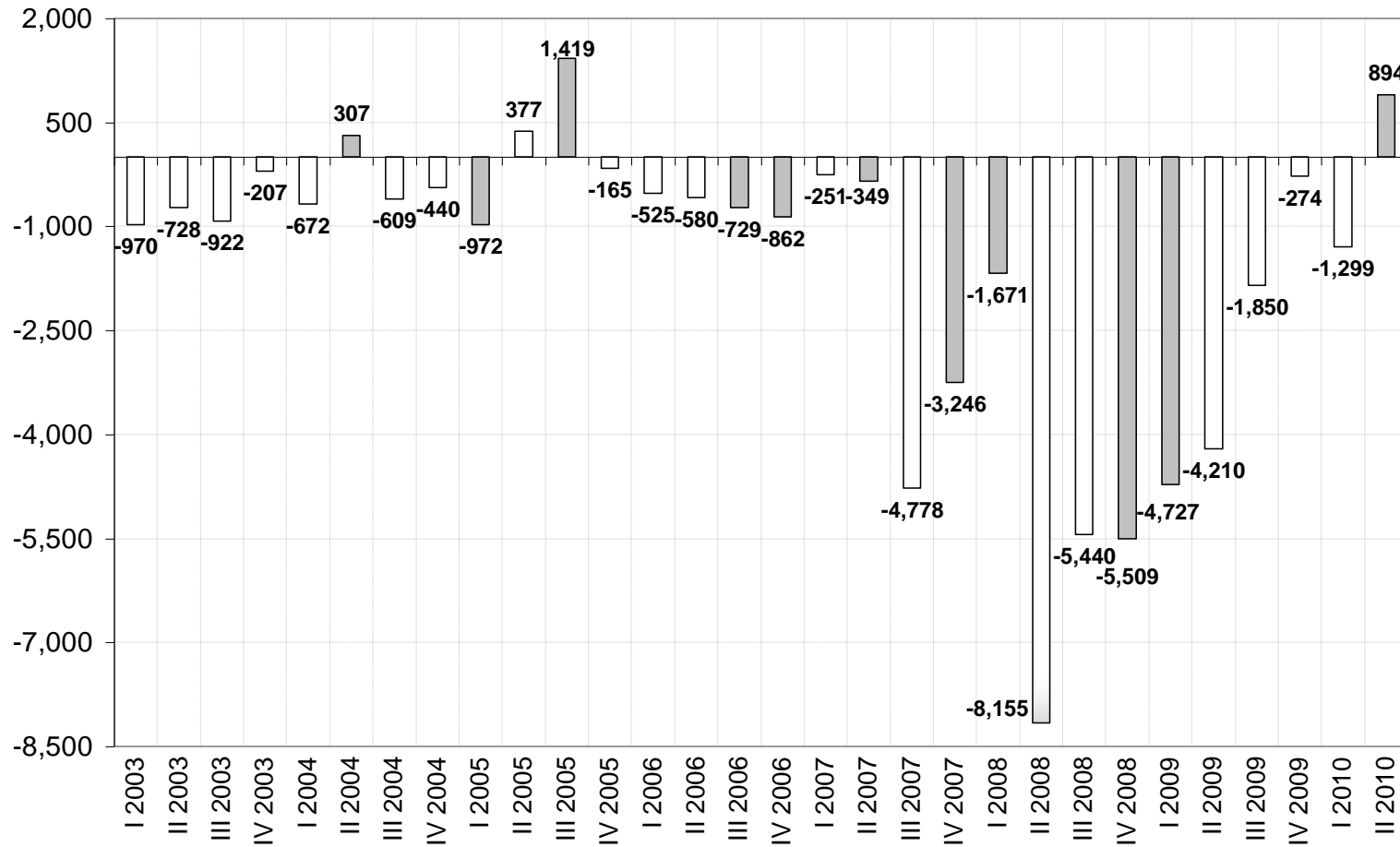
Year	(%)
2002	41.0
2003	3.7
2004	6.1
2005	12.3
2006	9.8
2007	26.6
2008	23.0
2009	14.8



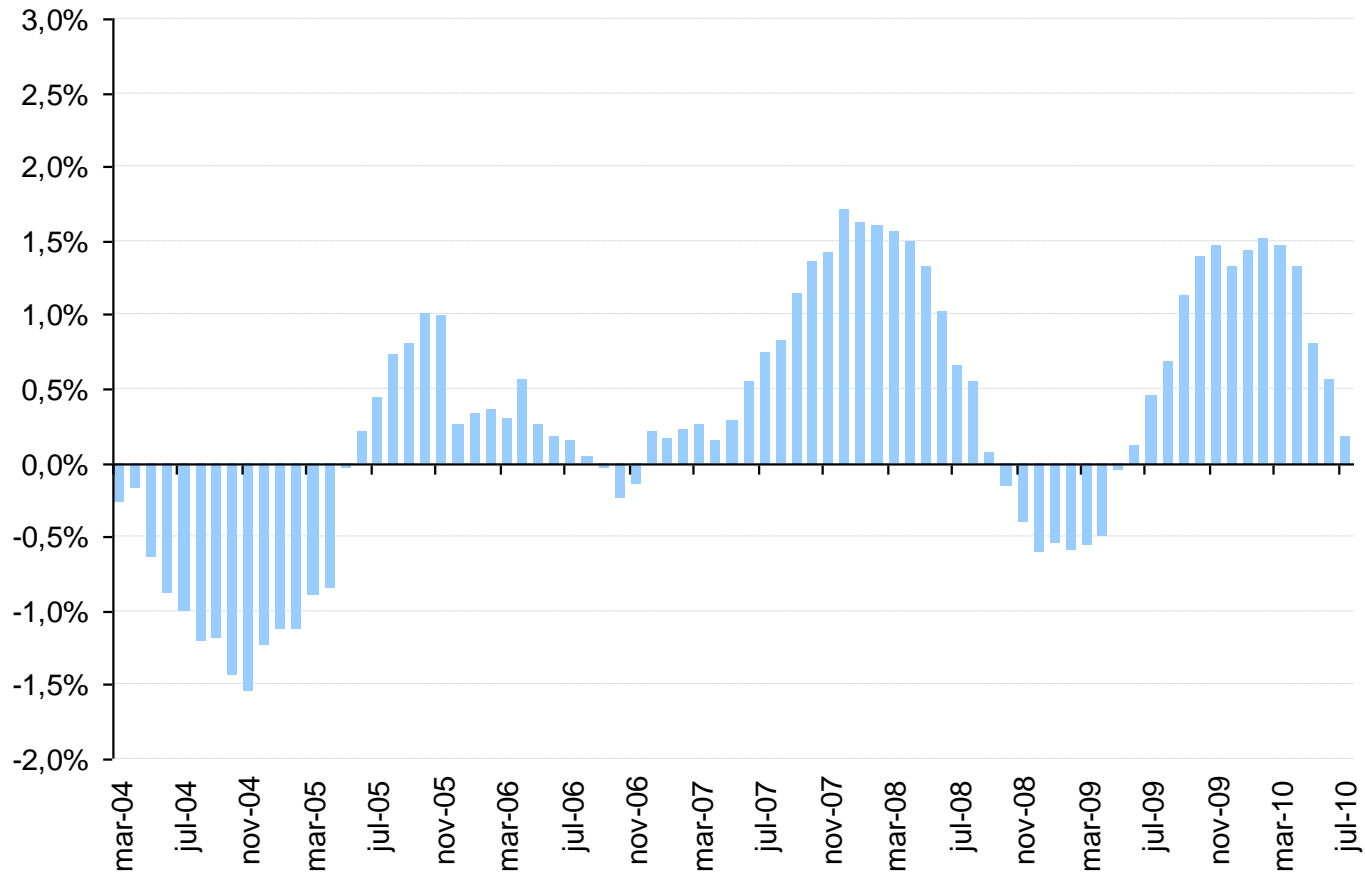
Graph 3.1. Average country-risk premium for emerging market economies and for Argentina and Brazil (in basis points).



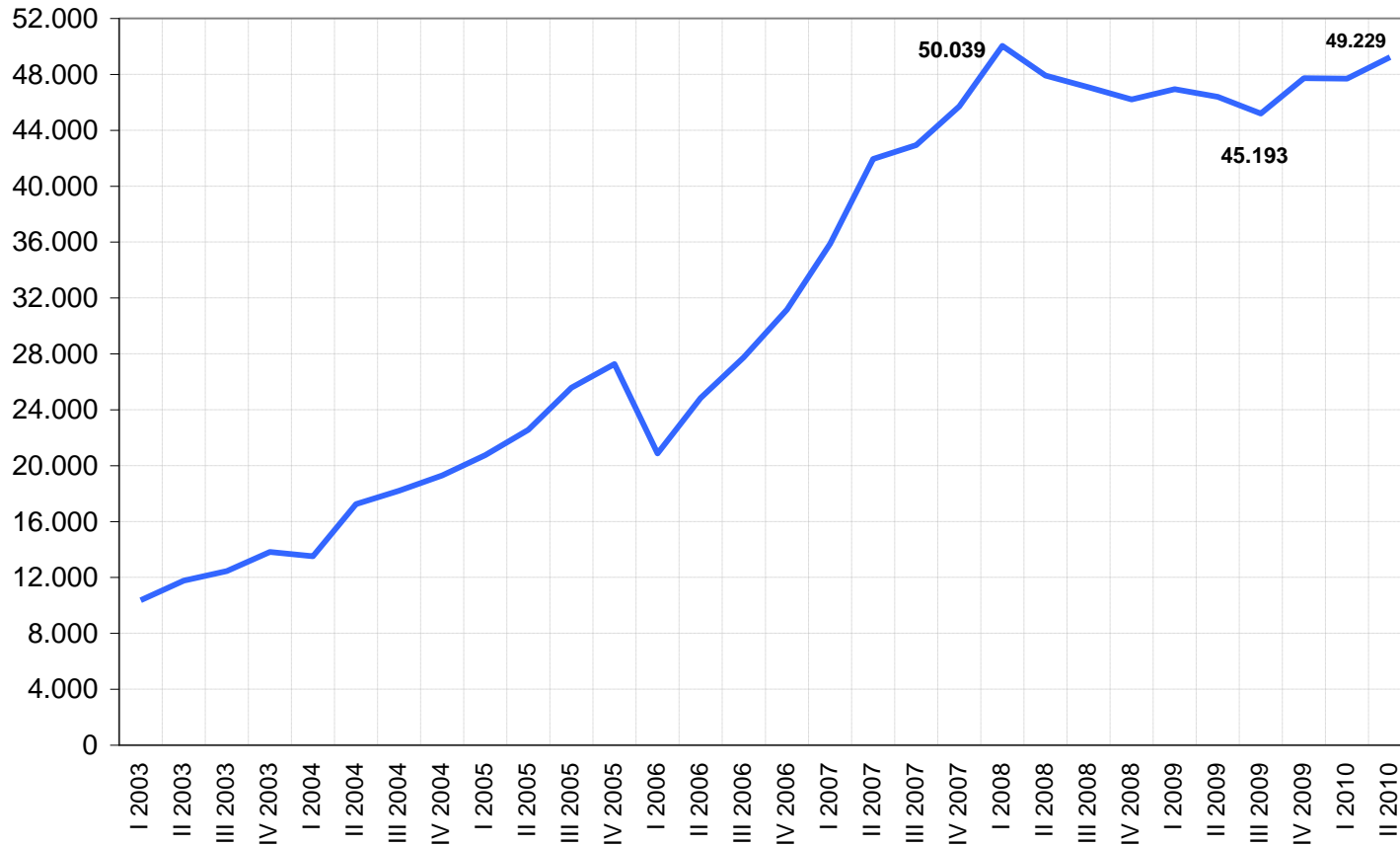
Graph 3.2. External asset accumulation of the non-financial private sector (millions of US dollars).



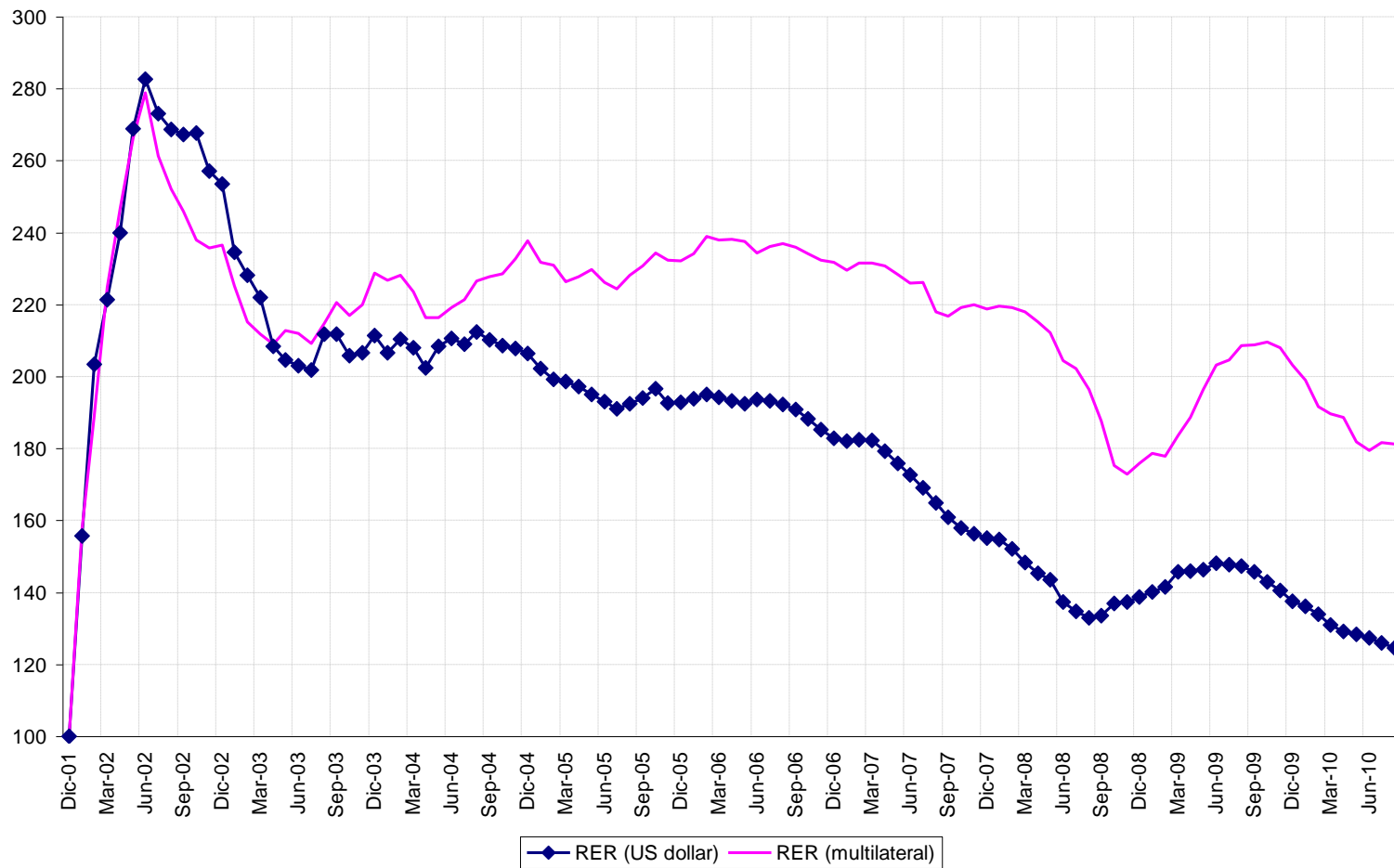
# Graph 3.4. Fiscal impulse (% of GDP)



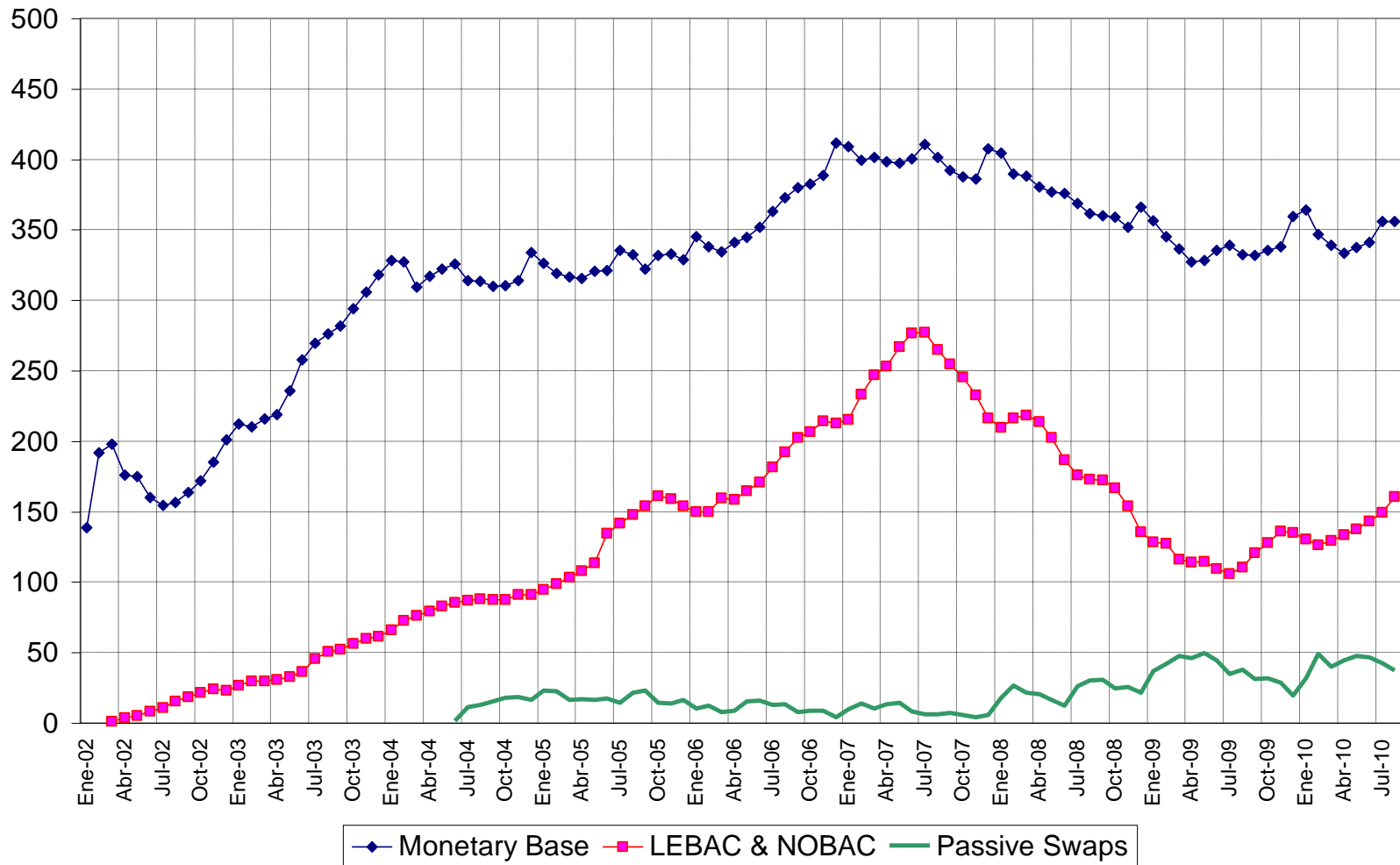
Graph 3.5. Stock of foreign reserves of the Central Bank (billion dollars).



Graph 3.6. Multilateral real exchange rate and real exchange rate with the US dollar (December 2001=100).



Graph 3.7. Evolution of monetary aggregates in real terms.



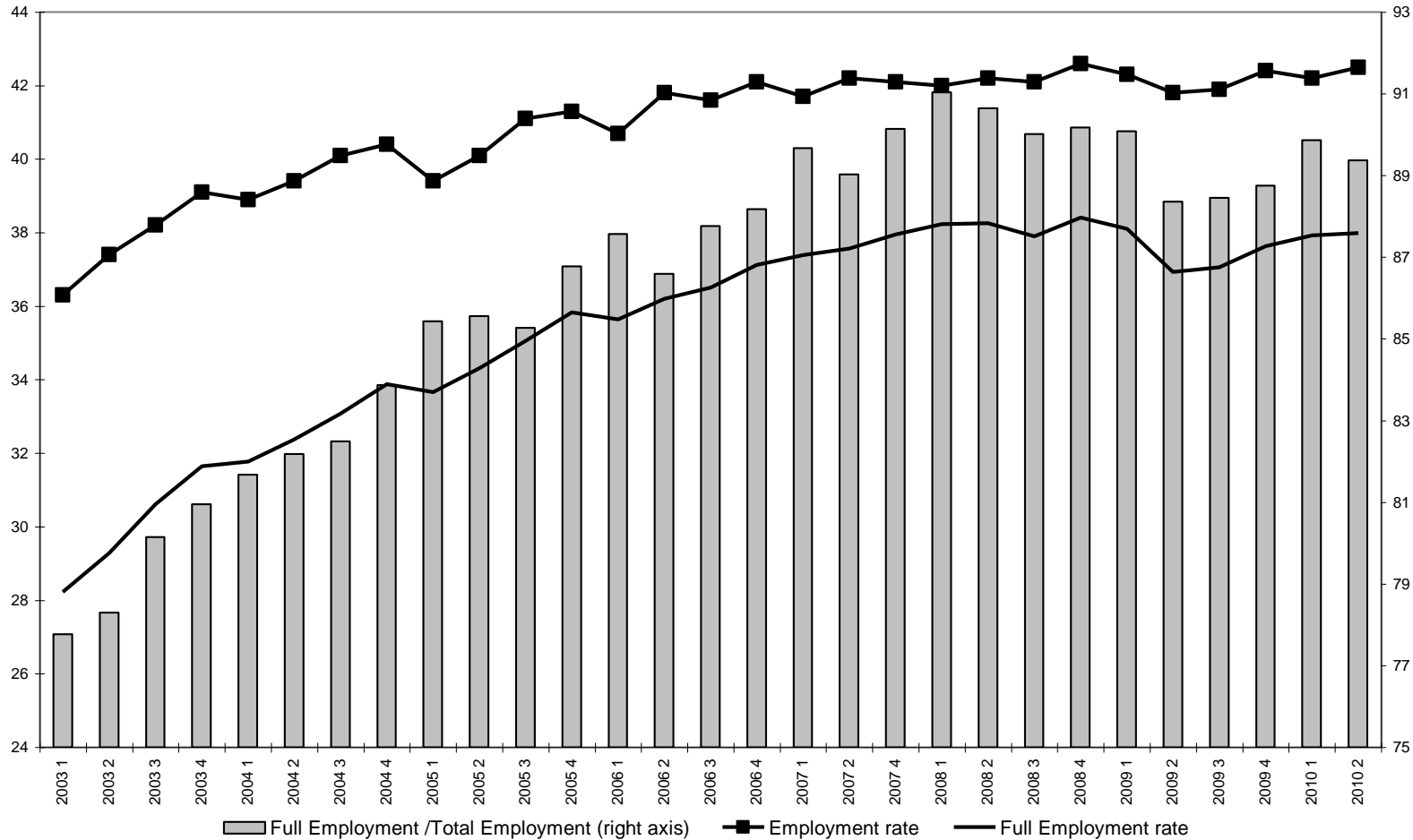
***Employment, unemployment, wages  
and income distribution in the 2000's***

Graph 3.8. Employment rate (with and without employment programs). Total urban centers, May 1991-II semester 2010.

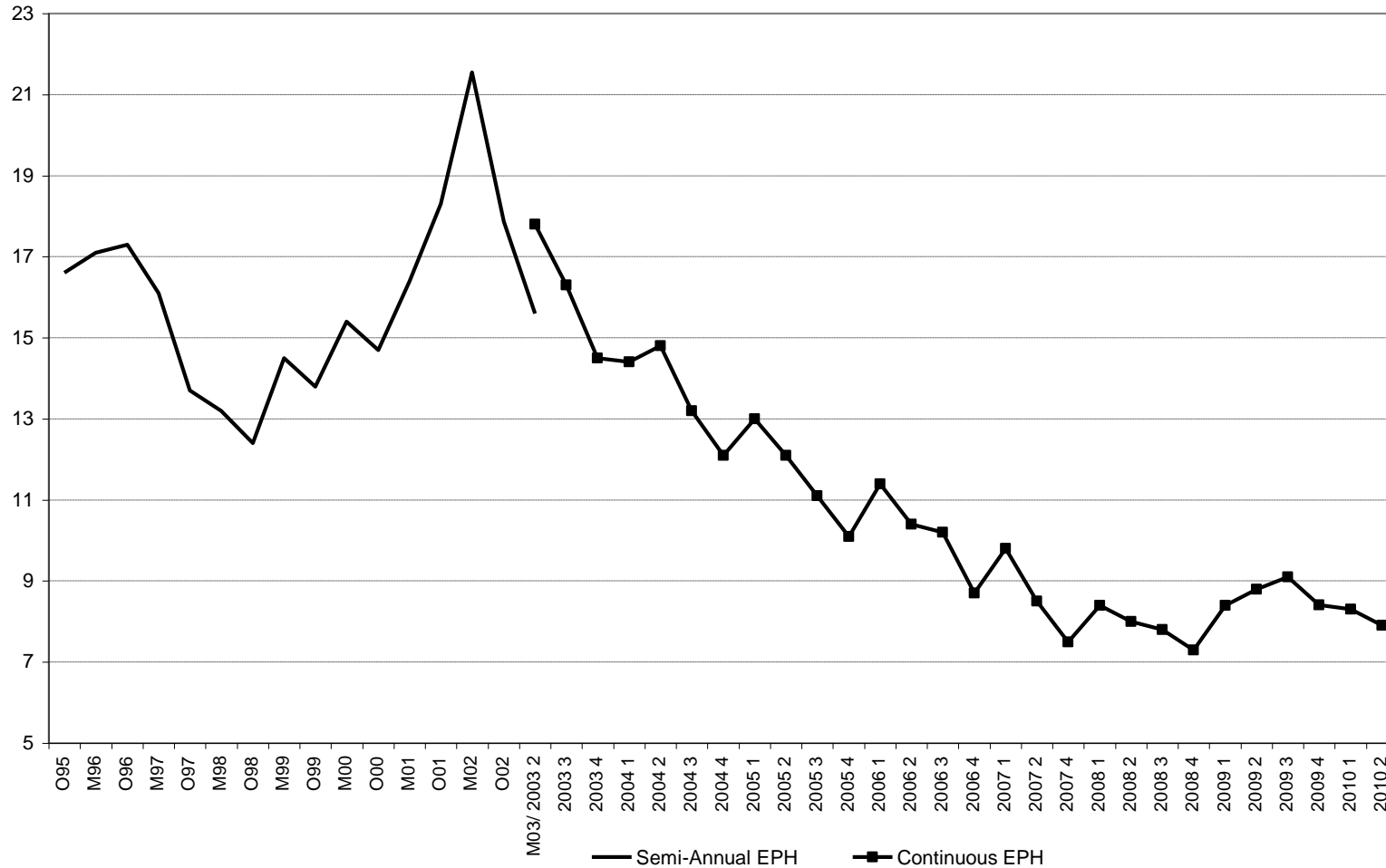




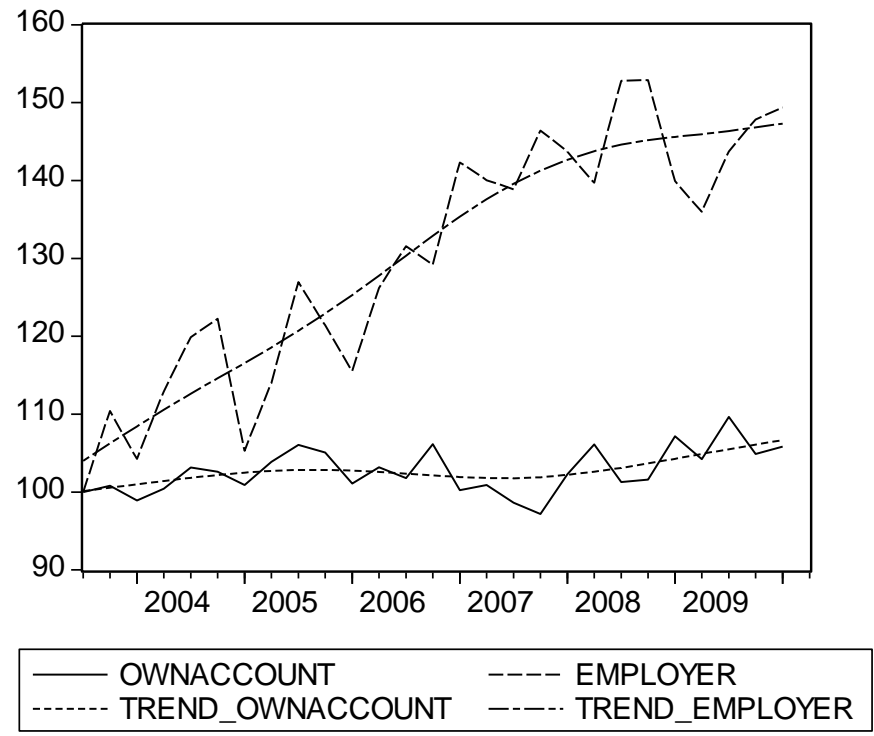
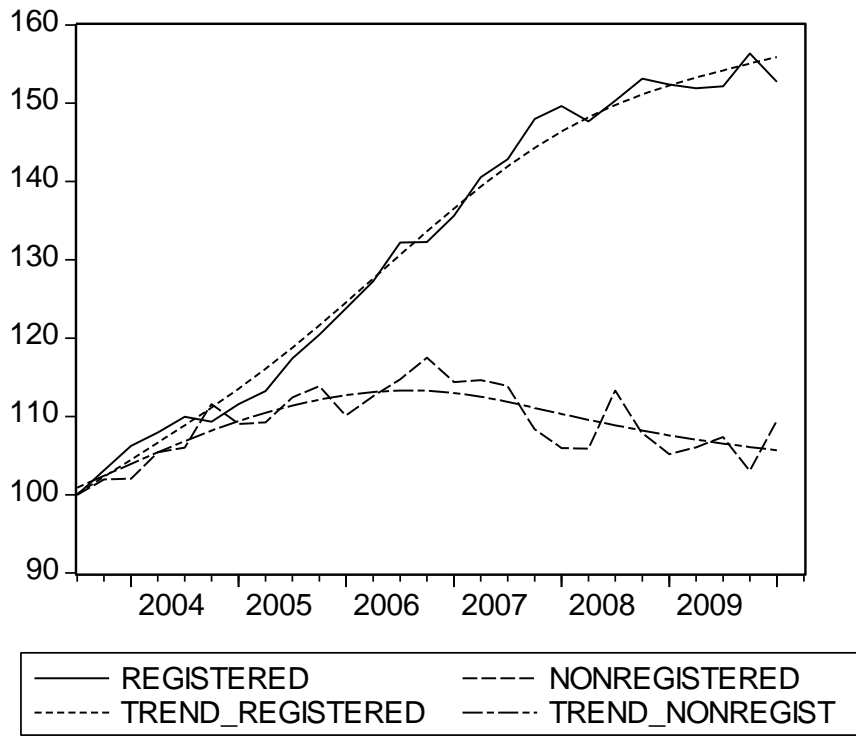
Graph 3.9. Employment and Full-time Employment rates.  
Total urban centers, I quarter 2003-II quarter 2010



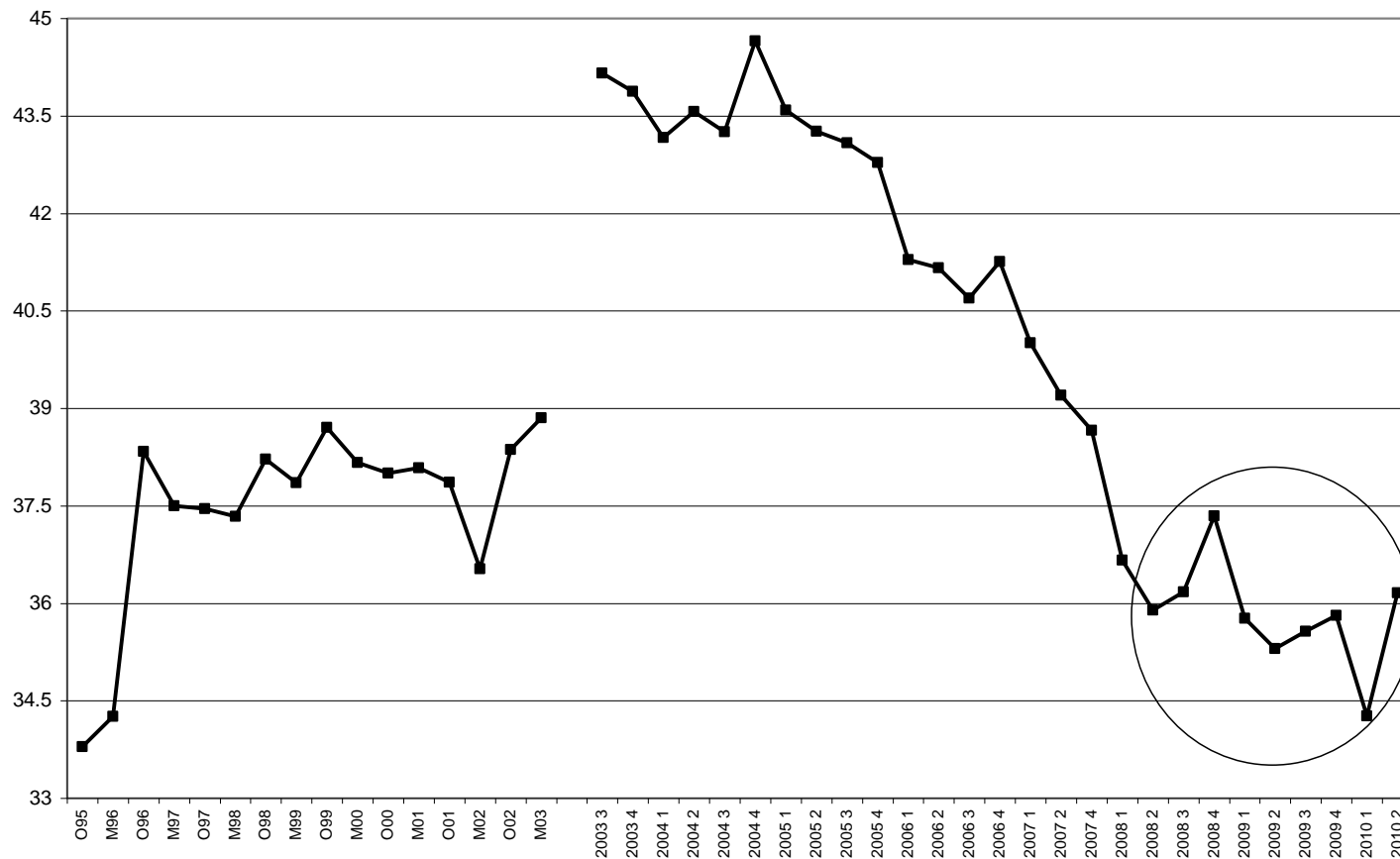
Graph 3.10. Unemployment rate. Total urban centers, October 1995-II quarter 2010.



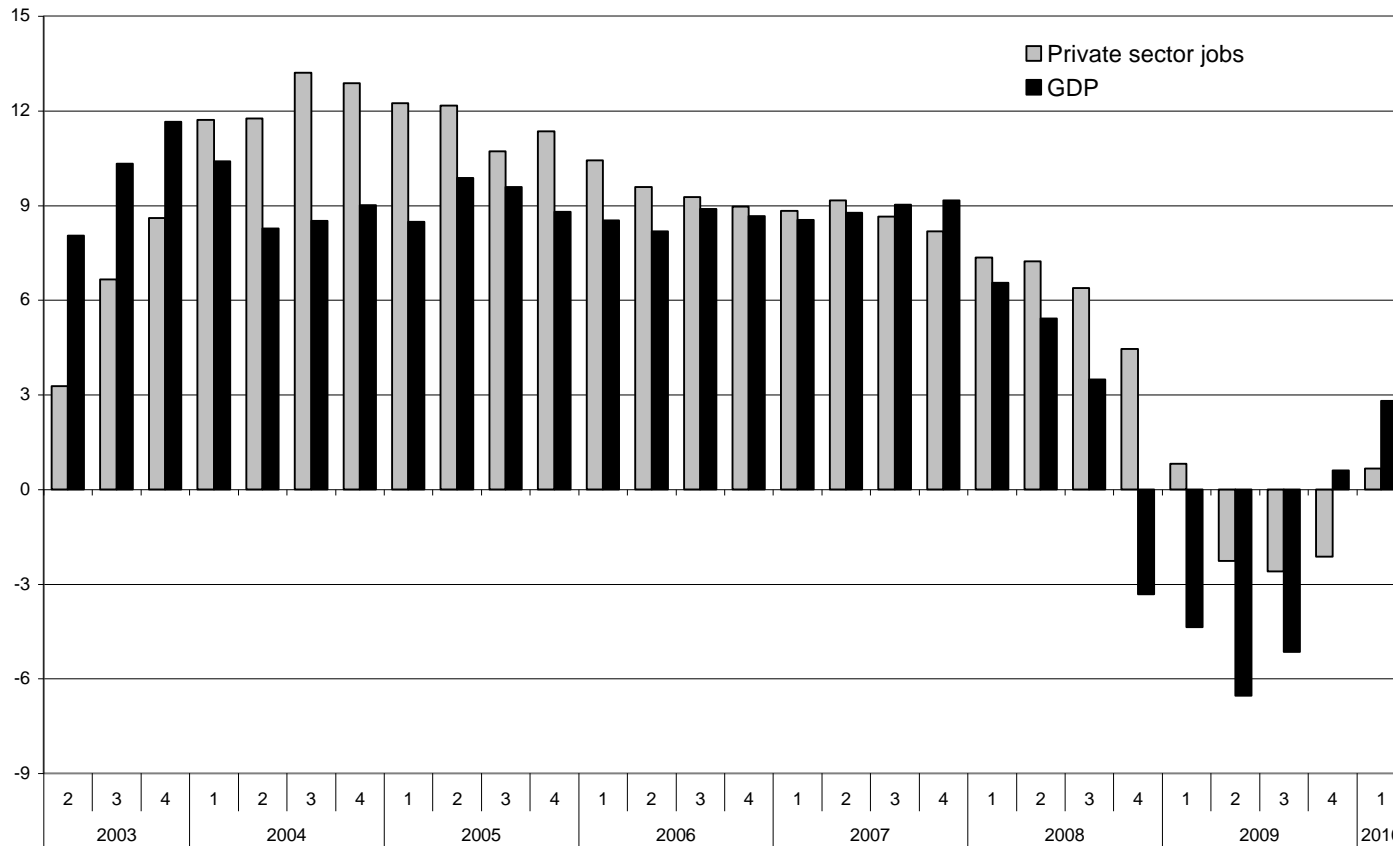
Graph 3.12. Employment by occupational category and their trends.  
 Total urban centers, III quarter 2003-II quarter 2010  
 (III quarter 2003=100).



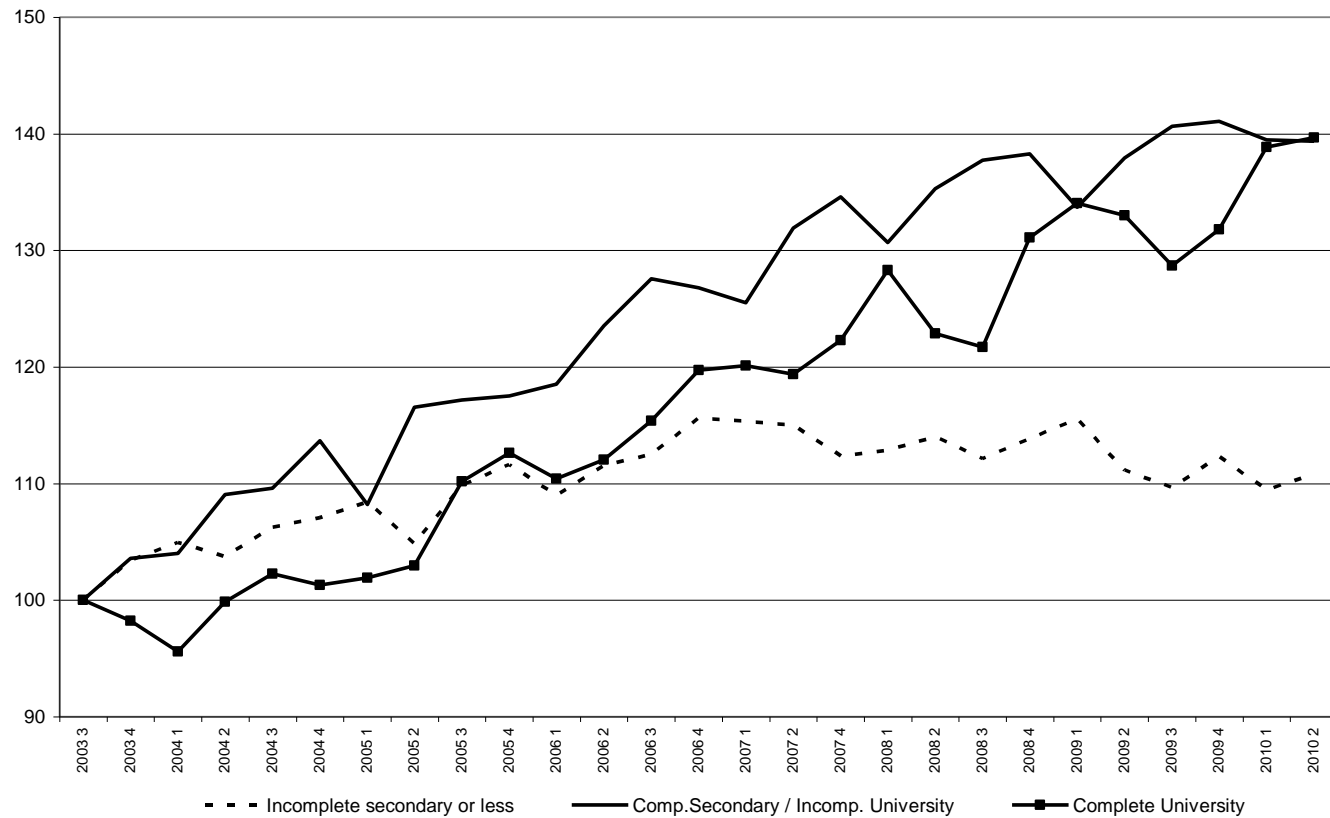
Graph 3.13. Percentage of non-registered wage earners in total wage earners. Total urban centers, III quarter 2003-II quarter 2010



Graph 3.15. Inter-annual real GDP and private jobs registered in the Social Security System growth (2003-2010, %).



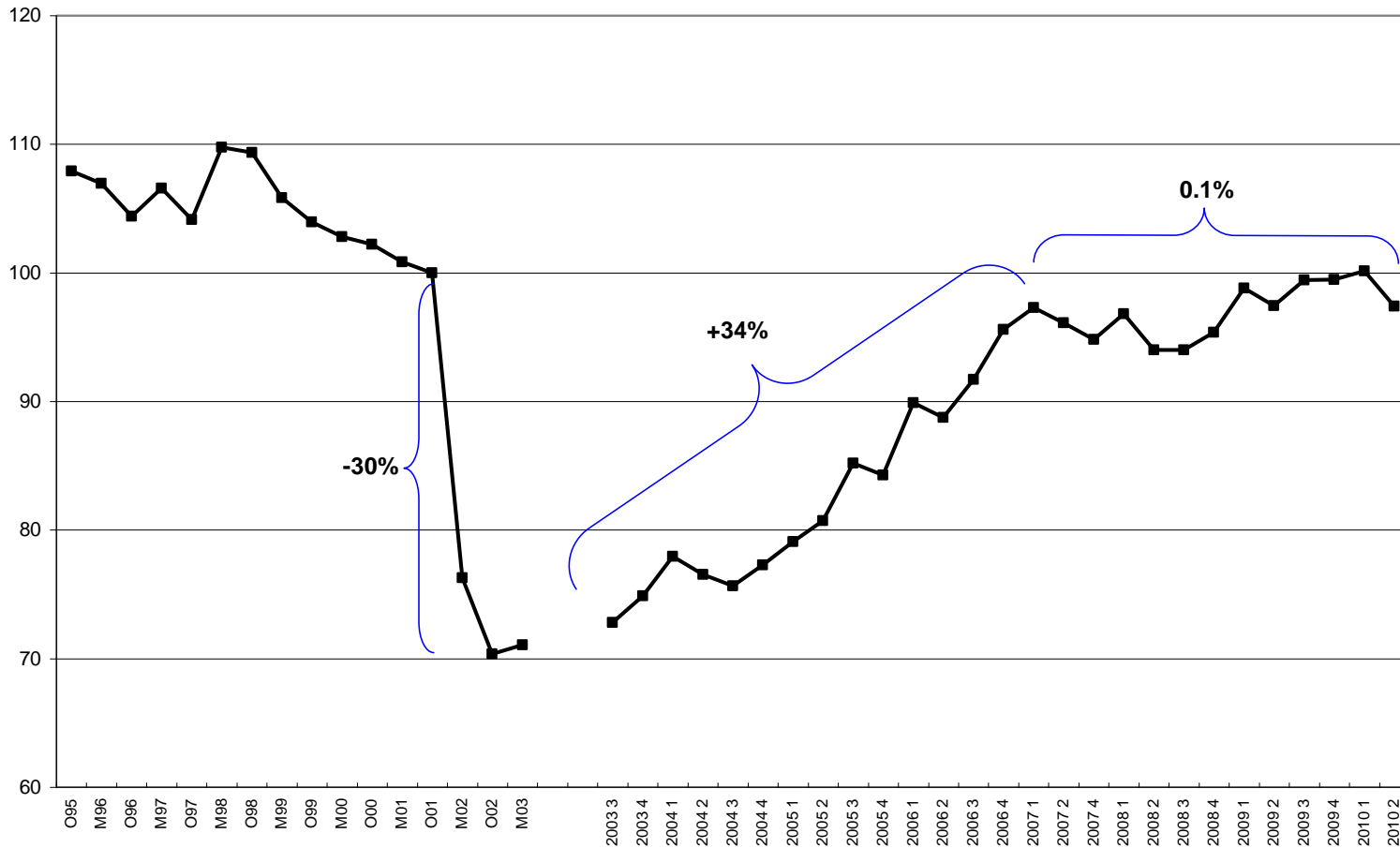
Graph 3.16. Employment rate by educational level. Total urban centers, III quarter 2003-II quarter 2010 (III quarter 2003=100)



Graph 3.17. Employment and physical output in manufacturing sector I quarter 1990-II quarter 2010 (1997=100).

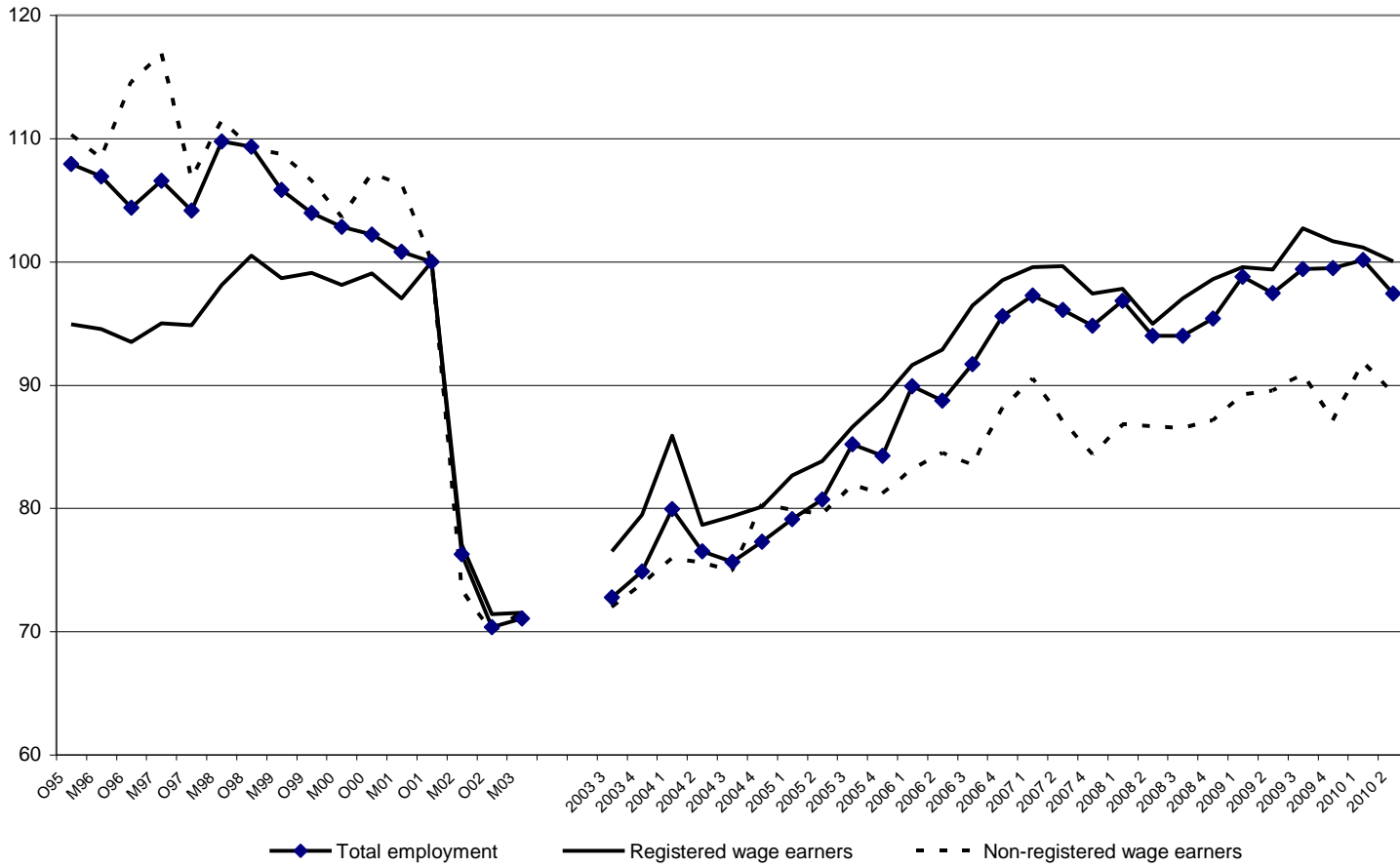


Graph 3.18. Real income from main occupation. Excludes employment programs. Total urban centers, October 1995- II quarter 2010  
 (Index October 2001=100, deflated by CPI and CPI-7)

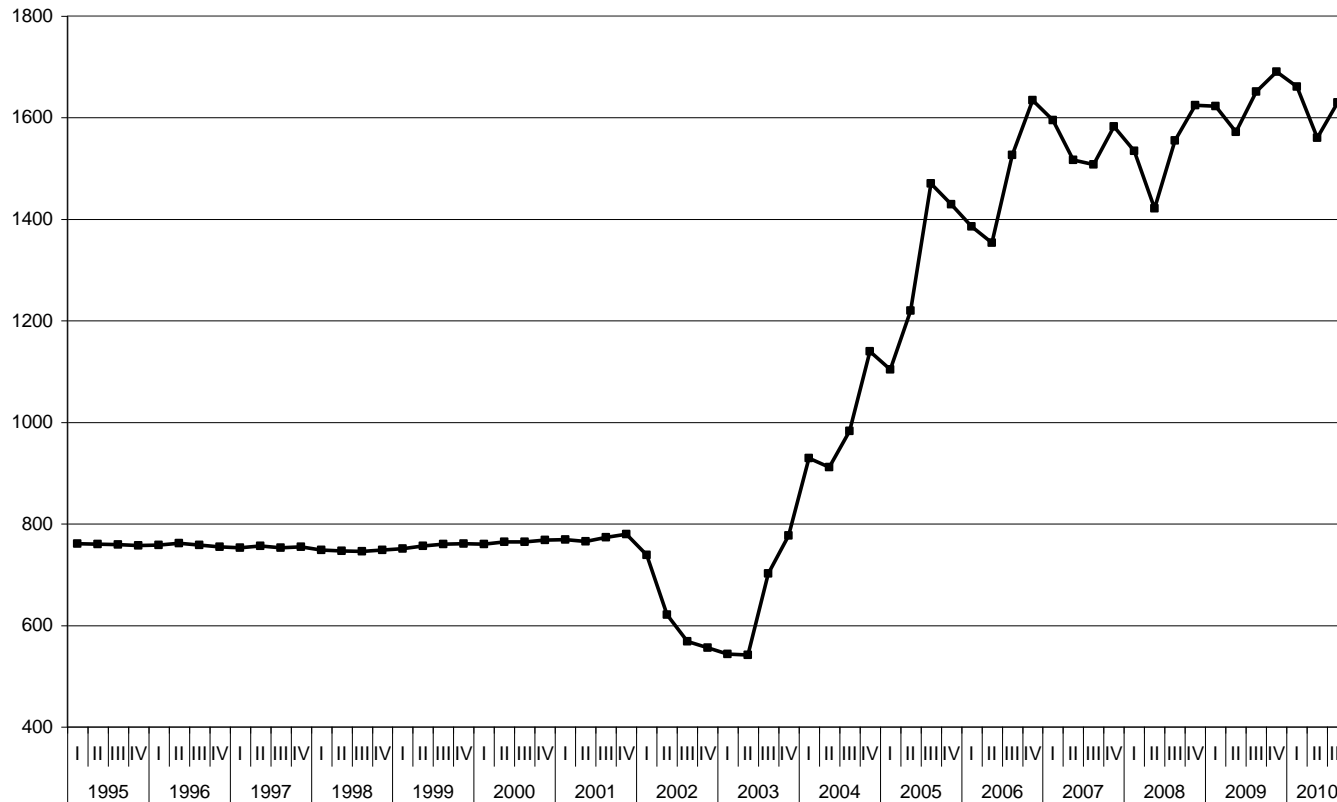




Graph 3.19. Real wages from main occupation of registered and non-registered wage earners. Excludes employment programs  
 Total urban centers, October 1995- II quarter 2010  
 (Index October 2001=100, deflated by CPI and CPI-7)



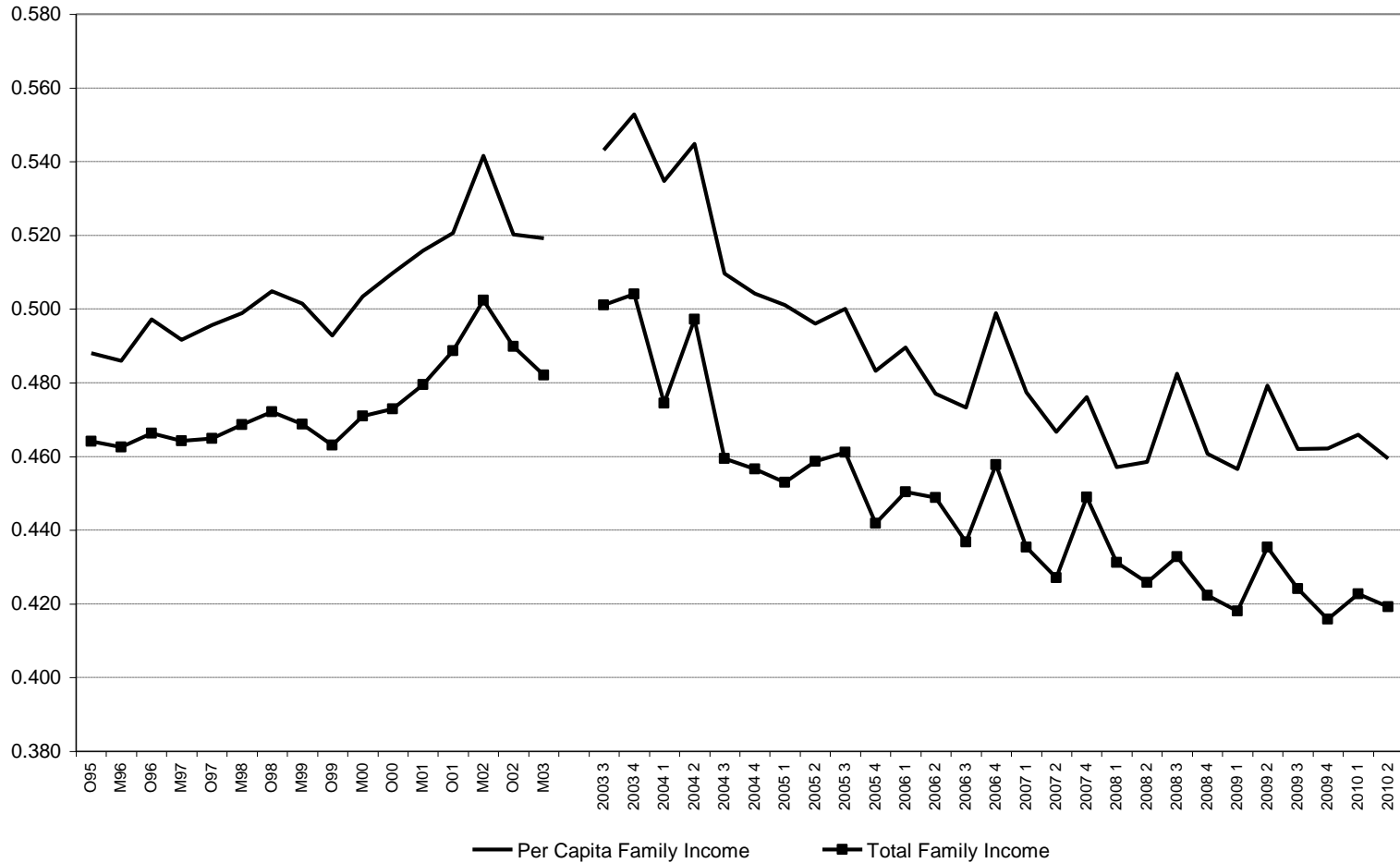
Graph 3.20. Real Minimum Wage, 1995-2010  
 (in pesos of August 2010, deflated by CPI and CPI-7)



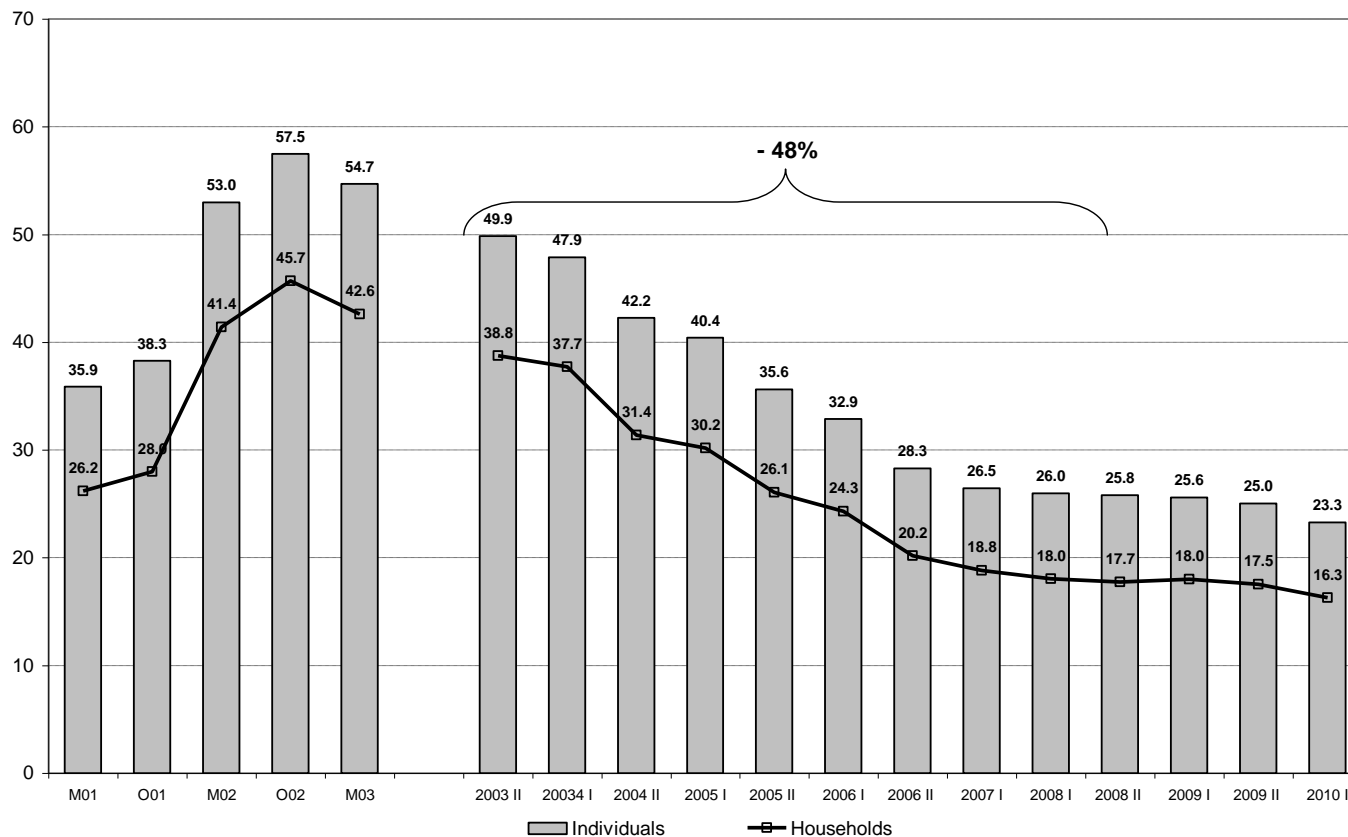
Graph 3.22. Real Per Capita Family Income. Total urban centers, October 1995- II quarter 2010 (Index October 2001=100, deflated by CPI and CPI-7).



Graph 3.23. Gini Index of Family Income. Total urban centers, October 1995- II quarter 2010.



Graph 3.24. Poverty in households and individuals. Total urban centers, May 2001-I semester 2010.



Graph 3.25. Extreme Poverty in households and individuals. Total urban centers, May 2001-I semester 2010.

