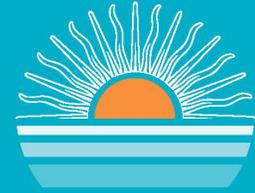


# Weekly Asado



Wilson Center

Argentina Project

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## *Mind the gap: Macri promotes gender equality*



In Argentina (and much of the world), women are typically paid less than their male counterparts for the same responsibilities. With one of the worst gender pay gaps in the region, Argentine women only earn 76 percent of the salary of men in similar positions, according to the International Monetary Fund – a problem that persisted under the eight-year administration of a leftist, female head of state, Cristina Fernández de Kirchner. Now, Ms. Fernández de Kirchner’s male, center-right successor has surprised observers with a campaign to close the gender pay gap.

Mr. Macri’s coalition, Cambiemos, is promoting [legislation](#) that would create a registry providing data on the wage gap, in both the public and private sectors, in order to draw public attention to the problem. Under the law, businesses with more than 200 employees would be required to disclose employee salaries and bonuses. The Ministry of Work, Employment and Social Security would produce reports on the gender pay gap, and develop incentives and sanctions to encourage equal pay. The law is modeled on legislation in the United Kingdom, where newly public data has provoked a national debate on the issue, and

led to the [resignation](#) of the BBC's China editor, after she learned of the disparity between her wage and that of male colleagues. (In Argentina, the law is sponsored by Karina Banfi and Silvia Gabriela Lospennato, who are members of a legislative friendship group focused on the United States, and so in a good position to share ideas with their counterparts, who face a 17 percent gender wage gap.)

Championing gender pay gap legislation is not the only way Mr. Macri has embraced women's rights. In recent speeches, he has repeatedly highlighted gender issues, including wage equality, which he mentioned in his State of the Nation address on March 1. In perhaps his most surprising announcement, he urged lawmakers to debate one of Argentina's most controversial women's rights issues: abortion. While not budging from his pro-life position, Mr. Macri said it was time for Argentina to have a "mature and responsible" debate over a proposed law that would legalize abortion within the first 12 weeks of pregnancy. Current law is highly restrictive, permitting abortions only in limited cases, such as rape, and only with a judge's approval. Mr. Macri's predecessors, including Ms. Fernández de Kirchner, repeatedly thwarted congressional debate on the issue. Their opposition reflected, in part, the country's Catholic values, and the influence of the church hierarchy. But Argentine feminists continued to press the issue, and public opinion has shifted, which perhaps [helps explain](#) the president's posture. Recent polling shows that a plurality of Argentines favors decriminalizing abortion.

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***Hard labor: Reforms a la baja***

# Hard Labor: Labor Reform in Argentina



## *Blanqueo Laboral*

Firms would be able to formalize workers without penalty. Workers would retain their seniority and up to 5 years of social security contributions. The state will also increase enforcement.  
Status: sent to congress



## *Equidad de Género*

The government has committed to reducing the gender wage gap, allowing more time for paternity leave and greater flexibility for those raising young children.  
Status: sent to congress



## *Cálculo de Indemnizaciones*

The reform seeks more consistency in calculating severance pay.  
Status: uncertain



## *Trabajadores Profesionales Autónomos*

The reform allows firms to hire contract workers, provided they do not make more than 80% of their annual income from the firm, or work more than 22 hours a week for the firm.  
Status: uncertain



## *Bajar la Litigiosidad*

The reform would simplify and standardize labor laws to reduce litigation. In 2016, there were 127,000 new labor cases initiated in Argentine courts.  
Status: uncertain



## *Externalización de tareas (tercerizaciones)*

The reform would clarify the obligations that firms have with temporary and contract workers, and inform unions of contractors to enforce standards.  
Status: uncertain



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Mr. Macri's March 1 [speech](#) opening the 2018 legislative session – akin to the State of the Union – was notable for its modest ambitions. In particular, Mr. Macri's labor reforms, once the centerpiece

of his agenda, have been scaled back after three months of labor unrest. The only labor reform that Mr. Macri called on lawmakers to consider was the labor amnesty law (*ley de inclusión laboral*), which would allow businesses to formalize off-the-books workers without penalty. The law is designed to reduce Argentina's [high labor informality](#), which accounts for a third of the workforce. These workers lack access to benefits and do not pay taxes. To reassure workers, Mr. Macri [emphasized](#) that they would not lose seniority or be penalized, or be asked to pay tax arrears.

Immediately following the October midterms, Mr. Macri's labor reform agenda was more far-reaching, including a measure to reduce non-wage labor costs, such as employer payroll taxes. In November, the CGT labor organization [agreed](#) to support the reform package, after Peronist lawmakers made it clear they would not back the legislation absent union support. But the political context quickly turned. In December, lawmakers passed an unpopular pension reform, which provoked violent protests outside the congress. Its passage encouraged combative labor unions, including the faction led by [Hugo Moyano](#), to resist the planned labor reform. The CGT, an umbrella labor organization that [felt slighted](#) for not being consulted about the pension reform, withdrew its blessing for the labor legislation.

Last month, Mr. Moyano staged a large protest march to demonstrate his capacity to complicate Mr. Macri's reform agenda. (See our analysis in a special Weekly Asado report [here](#).) The government has been further weakened by its inability to reduce inflation, and its popularity has [declined](#). Moreover, as inflation expectations [rise](#), it makes it more difficult for government negotiators to insist upon lower raises for workers, especially for unions aligned with Mr. Moyano, such as those representing teachers and bankers.

There is some good news for Mr. Macri. The Moyano family has departed the CGT, [leaving](#) the organization in the hands of its largest faction, known as 'los Gordos,' who have a more *dialoguista* style and had disagreed with Mr. Moyano's combative approach. Going forward, the CGT might once again [support](#) Mr. Macri's broader labor reform package. (For more on Argentina's complex labor movement, see our infographic [here](#).) That would be welcome by investors, who would be disappointed if labor reform stops with the amnesty. In Argentina, payroll taxes are among the [highest](#) in the region, according to the IMF, reducing competitiveness and job creation.

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