

Anna Winkler  
Central High School  
DeWitt, IA

## **Formulating Public Policy Initiatives in Argentina to Solve Poverty and National Food Insecurity**

Argentina already has in place several policies and programs addressing poverty and national food insecurity. These program areas are also being used to address unemployment, social assistance, education, health, and agricultural problems. This paper will discuss the current role of these policies and programs and their effectiveness. It will also examine and discuss the typical rural lifestyle in Argentina and the barriers to income and improved food security. The most common barriers are the existing poverty, shortages of necessary infrastructure, and lack of education for rural children and adults. In the closing, this paper will suggest concepts to improve the public policy initiatives to better address the possible ways to break Argentina rural poor's cycle of poverty and national food insecurity for the future generations.

In order to better understand the specific situations the rural poor find themselves in, this section will describe some common terms used to understand how the rural poor earn their living. This section will also describe other features of the typical rural lifestyle and how they are related to poverty.

The rural poor in Argentina make up 19% of all poor. However, the rural population is only 11% of the total population. This statistic shows how poverty is harbored in the rural sections of the country. The poor have three main livelihood strategies. The on-farm strategy is when a family lives off of the money they make from trading their goods. Of the rural poor, 15% of the total population uses the on-farm strategy for living. Another lifestyle is the off-farm way of life. These people earn all of their money from an industry off the farm. As many as 21% of the rural poor population make their living this way. The third and final livelihood strategy is a combination of on and off-farm. A total of 65% of the rural poor use a combination of on the farm and off the farm living to make an income.

In all three livelihood strategies, the majority of jobs in the dispersed rural areas of Argentina are informal. Informal employment means the worker is not part of a union or a state established working group and they are not required to have licenses or permits. Conversely, formal employment is when the worker is part of a trade group or union and has the required licenses and permits.

To describe the current employment situation in a different way consider the following data: 46.3% of rural workers are self-employed, 41.5% of rural workers are salaried, 8.4% are the employers, and 3.7% are unpaid family workers.

Also important to describe families in rural areas are the data relating to the number of children in a family, the head of the household, and the amount of education the family receives. The deepest poverty in the rural poor is among the poorly educated and the young head of households with children. If different parts of this situation are analyzed, it shows the larger the household the more poverty prone it is. Data shows parents with no education have an average of 1.8 children, while parents with tertiary education have an average of 1.1 children. The data presented shows education plays a role in the amount of poverty a family has indirectly via reduced fertility rates along with directly which will be discussed later in this essay.

Many physical and relationship situations are barriers to poor people obtaining a higher standard of living. Many rural Argentinean children have a long travel time to school because they have to walk or ride a horse. The long travel time, big distance, and resources needed for school are all factors that contribute to children not attending school. However, being able to read and write is important in

determining the likelihood of being poor. This indicates policy investments that reduce barriers to poor rural peoples access to basic services and expanding high quality rural education are key for Argentina's poverty reduction. Another barrier is the age of a family. Poverty tends to be concentrated in young families, however, this poverty is transitory and as the family unit grows older, the poverty tends to lessen. A physical barrier causing poverty exists when the most rural, least accessible citizens do not have access to minimal infrastructure such as water, sewer, banking systems, or regional government. Small landholding is another poverty anchor because the workers dedication to the operation of the small farm takes away from their potential to operate a large farm. All of these barriers limit a family's ability to access a higher income standard and to diversify their food security.

Poverty rates are different among different types of working categories. Informal workers suffer more poverty than formal workers do. These workers are not licensed so they do not make as much money and are not able to use government poverty reduction programs because they are considered informal workers. In dispersed rural areas, 20.3% of head of households participate in the formal labor market while 79.7% of them work in the informal labor market. While being a formal or informal worker can affect your income level, so can your career field. Workers with land access are likely to be employed in agricultural, and in turn, these same workers are more likely to be in deeper poverty. The industrial workers have a higher income on average, but in the industrial field, there is more competition for highly educated workers.

Another barrier to increased income of the rural Argentinean people is the lack of infrastructure. Access to basic infrastructure such as water and sanitation are directly correlated to income generation. The following information explains the little infrastructure rural Argentina has. In the city 85% of the people have access to clean water versus only 30% in rural areas. In dispersed rural areas, only 21% of the people have access to safe water. Of this water, two-thirds is provided by a neighborhood group or co-op while one-third is provided by government agencies. Only 7% of the people in dispersed rural areas have access to trash collection, 16% to paved roads, and 7% to telephones. These numbers are alarmingly low and special programs should be made to develop infrastructure projects to groups of rural populations.

The rural poor face another problem with education. They cannot afford to buy services that are privately provided such as health care and education because they do not have the assets or incomes to do so. Resulting from this is a low skill level of the average rural labor worker. In rural regions, getting an education is difficult because of the time it takes to get to the school. The average person in rural Argentina has only 6.7 years of education. A policy to improve access to higher education along with a higher quality of education with an emphasis of technical skills should be a key part in any government strategy made.

There is a disproportionate amount of wealth in urban areas that can be described as the rural urban wedge. One piece of data that shows this as an example is unmet basic needs. In different provinces, there is a big range of percents that measure unmet basic needs. Of the rural people in Argentina, 19% of the population had unmet basic needs. There are three main causes of the rural urban wedge in Argentina. The first of these causes comes from public investment that disfavors the rural people and provinces. Another cause is the underinvestment in agriculture and policies that suppress rural terms of trade. The last main cause of the rural urban wedge is the scarce amount of education, healthcare, infrastructure, and transfer programs for the rural people of Argentina. Labor market analyses show education is the key to increasing productivity, wages, and incomes for rural Argentineans. If investments could be made in all of these sectors, the rural urban wedge would be greatly reduced.

Currently in Argentina, there are three main types of government programs provided. There are government programs dealing with a persons state in life (ex. social security and pension), those dealing

with the volatility of income (ex. unemployment), and those dealing with social protection to vulnerable groups such as children and people at risk. Currently Argentina's programs include five unemployment, twenty-two social assistant, two education programs, twenty-nine health programs, and nine agricultural programs. This is a good range of programs, however it is found that Argentina needs less of them and they need to be stronger.

Stated above are the current programs in Argentina and this paragraph will focus on what these programs should be doing. The social programs should be designed in the following way: public spending should be focus on schools, health facilities, water supplies and other things that benefit the poor. The government should provide some items free that are not liked by the nonpoor such as bulk nutritious foods. The last suggestion for the design of social programs is the idea that cost recovery should be from the nonpoor.

The rural nonfarm sector is the key to solving problems because it is able to absorb the growing workforce. It can also slow down urban migration, contribute to national growth, and it can promote an equitable distribution of income. Education is also an important part to solving problems in Argentina. People who have completed education are shown to have to better wages compared to uneducated people. The following numbers show how education influences wages. The people with primary education make 27% more than uneducated people do, those with secondary education make 72% more, and those with tertiary education make 136% more than uneducated people do. A poor worker benefits from good economic times and their social network along with their education. The education and nonfarm sector of Argentina are key to achieving higher wages and gaining national food security.

The following information is going to describe the size of the rural poverty and food risk issue. Income inequality is a big problem for Argentina. It is higher in dispersed rural areas than in urban areas, which reflects a large range of livelihood strategies from subsistence agriculture through wage laborers. International research shows the more unequal income is distributed the less effective is economic growth in reducing poverty. The median income of the extremely poor in the dispersed rural areas is AR\$228.40 per month compared to the median income of the nonpoor which is AR\$392.30 per month. Income level factors are what determine your income and they include gender, age, household size, and education. Agricultural producers' incomes are determined by land size, education level, road access, and the use of electricity, fertilizer, and irrigation. If policies could be put in place to assist rural Argentineans with creating better income level factors, income inequality could be greatly reduced therefore reducing food insecurity.

Women and people at risk in Argentina make up a large portion of the population. When creating policies for Argentina it is important to recognize the following information. Labor is a poor person's most abundant asset because it is the majority of their income. The poor's labor use is constrained because of the lack of jobs, low wages, and wage discrimination. Of the rural labor force, 47% of the people working are women. In rural Argentina there is wage discrimination happening to women. The poorer women are more likely to get lower pay than the wealthier women are. Nonpoor people are more likely to be employed in agriculture while women have a higher probability to be in rural nonfarm activities. Educational attainment in women is lower than it is in men, and when looking at school attendance, the majority of the children that do not attend are girls. Child labor is very rare in Argentina with it only being existent in the poorest people. The deepest poverty is among the young head of households and the poorly educated. To improve the people at risk's assets, the government needs to intervene or else the people's troubles are likely to worsen.

An important feature of understanding the current situation in Argentina is to understand some of the trends currently in place. One important trend is the slowdown in rural population growth. This slowdown is in part caused by the baby bust Argentina is in the middle of. The baby bust is caused by a

sharp drop in birth rates and emigration. People are leaving the countryside because of the lack of economic opportunities and access to services. The majority of these people left due to lack of employment. Even though there was a drop in birth rates, there was also a fall in infant mortality. In 1991, 24.7 children out of every 1000 births died. In 2002, only 16.7 children out of every 1000 births died. The fall in infant mortality is because of improved health care systems, access to water, urbanization, and past investments in education. Economic growth is shown to be key for infant mortality reduction. For every 10% of increased income, there is a 6% drop in infant mortality. Another trend in Argentina is the employment in agriculture. Even though agricultural employment has fallen 34% since 1991, it is still the main employer with 71.6% of the population working in agriculture. It brings in 53% of the market income. Many rural workers work only part time the agricultural field because the agricultural labor markets are seasonal.

This paper has discussed concepts, terms, and data relating to Argentina's rural poverty. It will now switch from understanding data to looking at specific programs and how they influence the standard of living for the rural poor.

Contrary to what a person may first think, developing rural nonfarm growth is a strong synergy with improving the farm sector, not an impediment. It would only take a .1% investment of the GDP to bring all of the rural poor population above the poverty line. This nonfarm success is directly related to education attainment. As the education level of a person rises, the probability of being in a high paid job and succeeding in that job does too. Workers in poor regions with land access are more likely to work in agriculture. These poor small farmers need assistance with three main things. They need assistance with their productivity, access to land, and they need a rural finance system. A strategy to help the small farmers must be tailored to regional and local needs and they need to be aimed at increasing their productivity and making the crops sustainable. Any rural development programs made in Argentina are managed by the Secretary of Agriculture, Administer of Production, and the National Institute of Agricultural Technology.

Education is strongly correlated with success in the rural marketplace. Education lays the foundation for long-term income equality and national food security. Education is unequally distributed, but this can be reduced more easily than income inequality. Reduction in the education inequality affects income inequality little in the short run, but has a great impact on it in the end. This is because secondary education is strongly tied to the people's participation in the rural economy. It is also a link to other occupations and technical training. When income inequality has fallen, it has been associated with major expansions and equalizations of the rural people's educational attainment. In addition, as birth rates in rural areas decline, access to education should improve.

A summary of what this paper has discussed so far are basic terms of public policy, how public policies are applied in Argentina, and specific information about rural areas and the trends of poverty and food security in those areas.

Argentina's food security depends greatly on a strong and vibrant economy in rural areas. To attain this economy it is important to focus on bringing investments in nonfarm business to rural areas. The government could do this by having tax incentives for businesses that develop in the rural areas. Additionally, it is important to provide the basic education and infrastructure necessary to keep well-trained employees in rural areas. Government and business groups should form partnerships to develop secondary and technical education programs to meet employer's needs. As Argentina makes investments in the rural areas of the country, the urban areas will benefit from an expanding and stronger economy and from greater food security.

## Works Cited

"ARGENTINA: Poverty Bites Deeper in the Northeast - IPS ipsnews.net." *IPS Inter Press Service*. Web. 25 Aug. 2009. <<http://ipsnews.net/news.asp?idnews=38324>>.

"Poverty Analysis - Argentina's Poor: A Profile." *The World Bank*. Web. 27 Sept. 2009. <<http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTPOVERTY/ETPA/0,,contentMDK:20206684~menuPK:443285~pagePK:148956~piPK:216618~theSitePK:430367,00.html>>.

"Rural Poor in Rich Rural Areas : Poverty in Rural Argentina - Zunia.org." *Main - Zunia.org*. 1 Dec. 2006. Web. 30 Aug. 2009. <<http://zunia.org/post/rural-poor-in-rich-rural-areas-poverty-in-rural-argentina/>>.

Verner, Dorte. "Rural Poverty and Labor Markets in Argentina." 21 June 2005. Web. 25 Aug. 2009.

Verner, Dorte. "SSRN-Labor Markets and Income Generation in Rural Argentina." Dec. 2006. Web. 30 Aug. 2009. <[http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=951868](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=951868)>.